

SMARTLINK RUPIAH FIXED INCOME FUND

May 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		0.36%
Best Month	Dec-08	9.19%
Worst Month	Oct-08	-9.36%

Portfolio Breakdown

Treasury Bonds	84.22%
Corporate Bonds	5.82%
Govt. Related Bond	0.25%
Cash/Deposit	9.71%

Top Ten Bonds Holding

(in Alphabetical Order)

FR0056	15/09/2026
FR0059	15/05/2027
FR0064	15/05/2028
FR0068	15/03/2034
FR0070	15/03/2024
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 1,675.51
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	402,507,866.6614

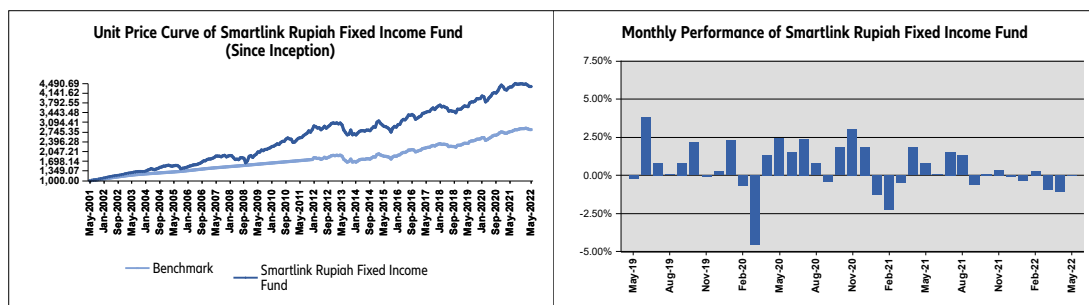
Price per Unit	Bid	Offer
(As of May 31, 2022)	IDR 4,162.69	IDR 4,381.78

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	-0.03%	-2.05%	-2.24%	0.36%	19.69%	26.69%	-2.11%	338.18%
Benchmark*	-0.15%	-1.74%	-1.14%	2.65%	21.05%	29.84%	-1.24%	183.60%

*BPBA INDOBeX Government Total Return Index (IBPRXGTR)

(Benchmark assessment; before Oct 2021: 80% BPBA 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 May 2022 inflation +0.40% mom (vs consensus inflation +0.41%, +0.95% in Apr 2022). On yearly basis, inflation was +3.55% yoy (vs consensus inflation +3.59%, +3.47% in Apr 2022). Core inflation was printed at +2.58% yoy (vs consensus inflation +2.70%, +2.60% in Apr 2022). The lower monthly inflation compare to previous month was impacted by the lower inflation in volatile food and administered prices group. The lower inflation on volatile food group was impacted by the deflation on CPO price due to the implementation of temporary export ban. While, lower inflation on administered prices group was impacted by the normalization on public transportation post Idul Fitri. The BI Board of Governors agreed on 23-24 May 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. However, Bank Indonesia revised the increment of rupiah reserve requirements from previously up to 300bps to be 550bps for conventional banks (GWM to be 9% per September 2022) and from previously up to 150bps to be 400bps for sharia banks and sharia business units (GWM to be 7.5% per September 2022). Rupiah depreciated against USD by -0.77% from 14,480 at end April 2022 to 14,592 at end of May 2022. Indonesia's trade balance recorded surplus amounting to USD 7,557mn in Apr 2022 vs previous month surplus USD 4,530mn in March 2022. The trade surplus was still supported by the higher global commodity prices, especially coal and CPO. The lower imports which was impacted by the China's lockdown, was also the reason behind higher trade surplus. Non-oil and gas trade balance in April 2022 recorded surplus USD +9,938mn, which was higher than the previous month that recorded trade surplus amounting to USD +6,617mn in March 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -2,381mn in April 2022, which was higher than the deficit in March 2022 amounting to USD -2,087mn. Indonesia's official foreign reserve in the end of May 2022 was at USD 135.6bn, relatively similar with April 2022 number at USD 135.7bn. The delopment in foreign reserve was impacted by oil and gas foreign exchange receipts, tax and services receipts, and also the obligations of government's external debt payment.

IDR Government bond yields were mostly closed higher across all curves in line with offshore outflows and Rupiah depreciation except short tenors. Market was opened with bearish tone which was impacted by the FED rate hike by 50bps to address the impact of the US higher inflation (US inflation on May stayed on 8% level), which brought to higher US Treasury Yield which reached the 3.12% level. However, there were several good sentiments from domestic side, such as: government revised APBN for increasing energy subsidy so inflation expectation still in range of BI and government target, the unchanged 7DRR at 3.50%, and palm oil export reopening which also could ease the inflationary pressure. Offshore accounts decreased their holding by IDR -32.12tn in May 2022 (-3.88% MoM), from IDR 827.85tn as of 30 Apr 2022 to IDR 795.73tn as of 31 May 2022, which brought their holding to 16.56% of total outstanding tradable government bond (from 17.03% in the previous month). The 5Y yield May 2022 ended -16bps lower to +6.15%(vs +6.31% in April 2022), 10Y tenor ended +6bps higher to +7.04% (vs +6.99% in April 2022), 15Y tenor ended +29bps higher to +7.34% (vs +7.05% in April 2022) and 20Y tenor ended +4bps higher to +7.33% (vs +7.29% in April 2022).

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

About Allianz Indonesia

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