

# SMARTLINK RUPIAH FIXED INCOME FUND

## November 2021

**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		3.00%
Best Month	Dec-08	9.19%
Worst Month	Oct-08	-9.36%

**Portfolio Breakdown**

Treasury Bonds	92.32%
Corporate Bonds	2.24%
Govt. Related Bond	0.24%
Cash/Deposit	5.20%

**Top Ten Bonds Holding**

(in Alphabetical Order)

FR0056	15/09/2026
FR0068	15/03/2034
FR0070	15/03/2024
FR0078	15/05/2029
FR0080	15/06/2035
FR0081	15/06/2025
FR0082	15/09/2030
FR0087	15/02/2031
FR0090	15/04/2027
FR0091	15/04/2032

**Key Fund Facts**

Fund Size (in bn IDR)	IDR 1,789.26
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	420,215,701.5824

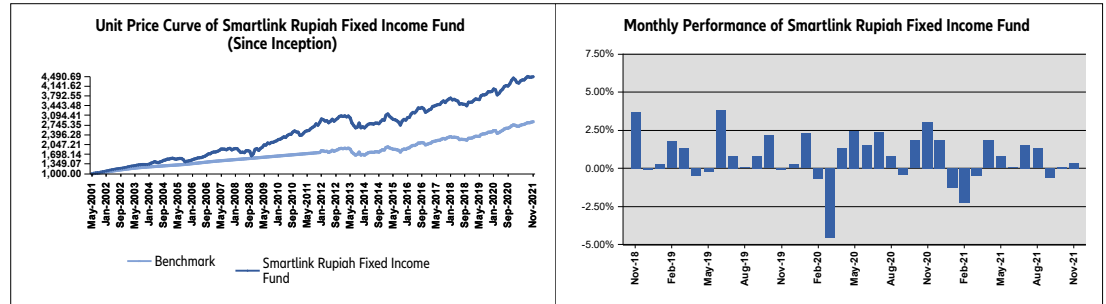
Price per Unit	Bid	Offer
(As of Nov 30, 2021)	IDR 4,257.97	IDR 4,482.07

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	0.34%	-0.19%	2.66%	3.00%	25.62%	39.76%	1.13%	348.21%
Benchmark*	0.60%	1.21%	3.83%	5.47%	26.13%	40.78%	4.17%	186.86%

\*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 Citi; before Jan 2012: Average 1 Month Deposit of BNI, BCA and Citi)



**Manager Commentary**

Central Bureau Statistics of Indonesia (BPS) announced Nov 2021 inflation +0.37% mom (vs consensus inflation +0.31%, +0.12% in Oct 2021). On yearly basis, inflation was +1.75% yoy (vs consensus inflation +1.70%, +1.66% in Oct 2021). Core inflation was printed at +1.44% yoy (vs consensus inflation +1.44%, +1.33% in Oct 2021). The higher monthly inflation was impacted by the increment in core inflation, volatile food, and administered price group. The increment in core inflation was caused by higher global gold price. For the increment of inflation in volatile food group was affected by the higher global CPO price (impacted to higher cooking oil price), while for the increment of inflation in administered price group was impacted by the air fare in line with the mobility relaxation. The BI Board of Governors agreed on 17-18 Nov 2021 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 to maintain Rupiah stability in the middle of global uncertainty and also the lower inflation. Rupiah depreciated against USD by -1.05% from 14,171 at end of Oct 2021 to 14,320 at end of Nov 2021. Indonesia's trade balance recorded surplus amounting to USD 5,733mn in Oct 2021 vs previous month surplus USD 4,371mn. October 2021 recorded the highest trade surplus which was caused by the higher global commodity prices, especially CPO and coal. Non-oil and gas trade balance in Oct 2021 recorded surplus USD +6,606mn, which was higher than the previous month that recorded trade surplus amounting to USD +5,305mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -873mn in Oct 2021, which was better than the deficit in Sep 2021 amounting to USD -934mn. Indonesia's official foreign reserve in the end of Nov 2021 was at USD 145.9bn, slightly higher than Oct 2021 number at USD 145.5bn due to tax revenue and external debt.

IDR Government bond yields were mostly closed lower, except the 10yr tenor. The offshore names continued to record outflows on November, while onshore banks also continue absorbing the bonds in the market. The negative sentiments mostly came from the global side, especially, the re-elected of Jerome Powell as FED Chairman which showed FED their hawkish tone with the probability for rate hike in 2022 to address the higher inflation (the November inflation was 6.2% YoY) by accelerating the tapering timeline. That news brought the US Treasury Yield to 1.6% level. The increment of new cases in Europe Zone and the announcement of the new Covid-19 variant, Omicron, which already spread around the world, also haunted the bearish market. Offshore accounts decreased their holding by IDR -30.82tn in Nov 2021 (-3.25% MoM), from IDR 949.27tn as of 29 Oct 2021 to IDR 918.45tn as of 30 Nov 2021, which brought their holding to 20.55% of total outstanding tradable government bond (from 21.24% in the previous month). The 5Y yield Nov 2021 ended -6bps lower to +4.87% (vs +4.93% in Oct 2021), 10Y tenor ended +4bps higher to +6.10% (vs +6.06% in Oct 2021), 15Y tenor ended -2bps lower to +6.27% (vs +6.29% in Oct 2021) and 20Y tenor ended -2bps lower to +6.86% (vs +6.84% in Oct 2021).

In regards to our recent portfolio we maintain the neutral position.

**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.

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