

# SMARTLINK RUPIAH FIXED INCOME FUND

## September 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).

### Portfolio Breakdown

Corporate Bonds	0.29%
Mutual Funds - Bonds	94.79%
Cash/Deposit	4.92%

### Top Five Bonds Holding

FR0082	7.08%
FR0087	6.70%
FR0080	6.40%
FR0081	5.96%
FR0068	5.83%

### Key Fund Facts

Fund Size (in bn IDR)	IDR 1,705.18
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	402,126,879.8049

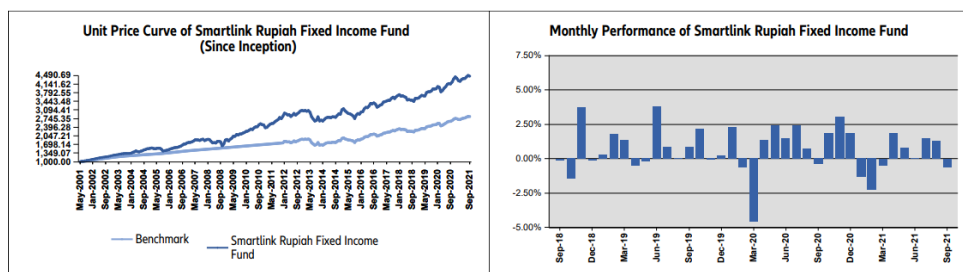
Price per Unit	Bid	Offer
(As of Sep 30, 2021)	IDR 4,240.40	IDR 4,463.58

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	-0.60%	2.20%	4.90%	7.59%	27.90%	0.71%	346.36%
Benchmark*	-0.13%	2.06%	4.55%	7.37%	26.90%	2.74%	182.90%

\*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 Sep 2021 deflation at -0.04% mom (vs consensus inflation +0.03%, +0.01% in Aug 2021). On yearly basis, inflation was +1.60% yoy (vs consensus inflation +1.66%, +1.59% in Aug 2021). Core inflation was printed at +1.30% yoy (vs consensus inflation +1.33%, +1.31% in Aug 2021). The deflation was mainly contributed by the deflation on volatile food group which was impacted by the lower chicken and various horticulture prices. The BI Board of Governors agreed on 20-21 Sep 2021 to hold the BI 7-Day Reverse Repo Rate to be 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates to be 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 -0.10% from 14,306 at end of Aug 2021 to 14,321 at end of Sep 2021. Indonesia's trade balance recorded surplus amounting to USD 4,746mn in Aug 2021 vs previous month surplus USD 2,589mn. The trade surplus recorded the historical high in Aug 2021 which was contributed by the coal and CPO exports. Non-oil and gas trade balance in Aug 2021 recorded surplus USD +5,728mn, which was higher than the previous month that recorded trade surplus amounting to USD +3,384mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -982mn in Aug 2021, which was higher than the deficit in June 2021 amounting to USD -759mn. Indonesia's official foreign reserve in the end of Sep 2021 was at USD 146.90bn, higher than Aug 2021 number at USD 144.80bn due to tax & services receipts and also the government's external debt withdrawal.

IDR Government bond yields were closed higher across all curves in line with offshore outflows as well as IDR depreciation. The market was opened with better performance in the beginning of the month which was supported by positive sentiment with Indonesia's lower new cases of Covid-19, the loosening of social restriction, especially on Java Island, and also higher trade surplus. However, market then turned to have bearish tone on the back of concern over the US debt ceiling level and China's Evergrande debt crisis which market players fear that it will impact globally. Offshore accounts decreased their holding by IDR -18.67tn in Sep 2021 (-1.90% MoM), to IDR 961.78tn as of 30 Sep 2021 from IDR 980.44tn as of 31 Aug 2021, which brought their holding to 21.56% of total outstanding tradable government bond (from 22.44% in the previous month). The 5Y yield Sep 2021 ended +10bps higher to 5.14%(vs +5.04% in Aug 2021), 10Y tenor ended +20bps higher to +6.26% (vs +6.06% in Aug 2021), 15Y tenor ended +11bps higher to +6.41% (vs +6.30% in Aug 2021) and 20Y tenor ended +5bps higher to +6.94% (vs +6.89% in Aug 2021).

In regards to our recent portfolio we maintain the overweight position in weighing while neutral position in duration.

#### 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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