

# SMARTLINK RUPIAH BALANCED FUND

## April 2022

**BLOOMBERG: AZRPBLF IJ**

### Investment Objective

The objective of this fund is to achieve conservative long term capital growth while earning more relatively stable income.

### Investment Strategy

To achieve the investment objectives, this fund shall be invested with a target of 50%-75% in money market and fixed income instruments (such as deposits, SBI, SPN, and / or money market mutual funds, government bonds, corporate bonds, and / or fixed-income mutual funds), and 25%-50% in equity instruments (either directly through stocks and / or through equity mutual funds).

### Return Performance

Last 1-year Period		8.38%
Best Month	Oct-07	12.71%
Worst Month	Oct-08	-17.27%

### Portfolio Breakdown

Equity	30.82%
Treasury Bonds	48.99%
Corporate Bonds	4.60%
Govt. Related Bond	0.62%
Mutual Funds - Bonds	0.00%
Mutual Funds - Alternatives	3.58%
Cash/Deposit	11.40%

### Top Five Bonds Holding

(in Alphabetical Order)

FR0059	15/05/2027
FR0068	15/03/2034
FR0070	15/03/2024
FR0078	15/05/2029
FR0087	15/02/2031

### Top Five Stocks Holding

(in Alphabetical Order)

Bank Central Asia
Bank Rakyat Indonesia
Bukalapak.Com,
Merdeka Copper Gold
Telekomunikasi Indonesia

### Key Fund Facts

Fund Size (in bn IDR)	IDR 1,987.30
Risk Profile	Moderate
Launch Date	08 Mar 2004
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	484,215,362.6018

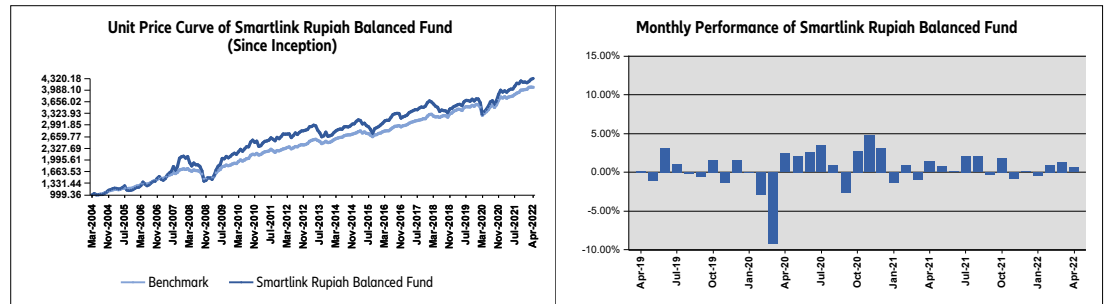
<b>Price per Unit</b>	<b>Bid</b>	<b>Offer</b>
(As of Apr 28, 2022)	IDR 4,104.17	IDR 4,320.18

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Balanced Fund	0.56%	2.87%	1.68%	8.38%	20.55%	27.93%	2.40%	332.02%
Benchmark*	-0.11%	1.37%	2.05%	7.28%	18.32%	32.51%	1.63%	306.96%

\*25% Jakarta Composite Index (JCI) &amp; 75% IBPA Indonesia IDR Government Bond Index (IBPRXGTR)

(Benchmark assessment; before Feb 2022: 25% Jakarta Composite Index (JCI), 50% IBPA Indonesia Government Bond Total Return Index (IBPRTRI) &amp; 25% average time deposit (3 months) from Mandiri, BNI, BTN, Danamon, and CIMB Niaga; before Sep 2018: 30% Jakarta Composite Index (JCI) &amp; 70% average time deposit (3 months) from Mandiri, BNI, BTN, Danamon, and CIMB Niaga)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Apr 2022 inflation +0.95% mom (vs consensus inflation +0.83%, +0.66% in Mar 2022). On yearly basis, inflation was +3.47% yoy (vs consensus inflation +3.32%, +2.64% in Mar 2022). Core inflation was printed at +2.60% yoy (vs consensus inflation +2.61%, +2.37% in Mar 2022). The higher inflation on Apr 2022 was impacted by the higher of volatile food, administered price group, and core inflation. The BI Board of Governors agreed on 18-19 Apr 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. Rupiah depreciated against USD by -0.85% from 14,357 at end of March 2022 to 14,480 at end April 2022. Indonesia's trade balance recorded surplus amounting to USD 4,530mn in March 2022 vs previous month surplus IDR 3,826mn in Feb 2022. The main contributor to trade surplus was from coal export which grew by 124% YoY. Non-oil and gas trade balance in March 2022 recorded surplus USD +6,617mn, which was higher than the previous month that recorded trade surplus amounting to USD +5,733mn in Feb 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -2,087mn in March 2022, which was higher than the deficit in Feb 2022 amounting to USD -1,907mn. Indonesia's economy grew by +5.01% yoy in 1Q 2022 (vs previous 5.02%, consensus -4.95%), and -0.96% qoq (vs previous +1.06%, consensus -0.92%). In term of expenditure side, the main contributor of the growth was from household consumption which grew by +4.34% yoy in line with the national economic recovery and loosening mobility restriction despite of Omicron Wave. The investment side grew on moderate level which grew only +4.09% yoy, while the growth of government expenditure was lower by -7.74% yoy.

IDR Government bond yields were closed higher across all curves in line with offshore outflows and Rupiah depreciation. The weakening on Indonesia's bond market was mostly impacted by the global sentiments, as follows: concern over higher inflation globally, the acceleration of monetary tightening by most of central banks, especially FED which they raised the FFR by 50bps on May 2022 to address the impact of higher inflation level, lockdown in China on the back of rising cases, and also the uncertainty when the war will be ended between Russia and Ukraine. Unfortunately, the affirmation Indonesia's sovereign rating by S&P at BBB with revision outlook to be stable, did not give any impact to the market. S&P affirmed Indonesia's sovereign rating at BBB and revised its outlook from negative to be stable, because they see that the ability of Indonesia's government to maintain economic recovery for the next two years. Offshore accounts decreased their holding by IDR -20.44tn in Apr 2022 (-2.41% MoM), from IDR 848.29tn as of 31 March 2022 to IDR 827.85tn as of 30 Apr 2022, which brought their holding to 17.03% of total outstanding tradable government bond (from 17.57% in the previous month). The 5Y yield April 2022 ended +70bps higher to +6.32% (vs +5.62% in March 2022), 10Y tenor ended +25bps higher to +6.99% (vs +6.74% in March 2022), 15Y tenor ended +36bps higher to +7.05% (vs +6.69% in March 2022) and 20Y tenor ended +6bps higher to +7.29% (vs +6.23% in March 2022).

The JCI ended the month higher at 7,228.91 (+2.23% MoM). Market movers were ASII, BMRI, MCKA, ADRO, and BBRI as they rose 15.21%, 13.29%, 19.92%, 24.16%, and 4.51% MoM respectively. Global stock markets saw big outflows in the month of April on concerns over growth due to the Russia-Ukraine war as well as impending rate hikes by major central banks and a rise in real yields. The prolonged Russia-Ukraine war has resulted in surge in commodity prices such as oil and coal and these are expected to cause a persistent inflation reading for the coming months. Moving to Indonesia, Indonesia stock market gained in April by 2.23% MoM. The surge in commodity prices continue to benefit Indonesia's trade balance given its significant export contribution from commodity exports. On the valuation front, the JCI currently trades at 2022 earnings multiple of 17.5x, which is slightly above its mean but considering low foreign investors positioning combined with improving economic activity, strong commodity prices, ongoing tax amnesty and more technology company IPOs, we believe investors' appetite in Indonesian stocks will continue to improve in the longer run but expect volatility to be elevated. Sector wise, the Industrial Sector was the best performing sector during the month, gaining 10.36% MoM. Ticker wise, HOPE (Harapan Duta Pertiwi) and ABMM (ABM Investama) were the movers, appreciating 109.09% and 56.37% MoM respectively. This was followed by the Energy Sector which rallied 9.29% MoM. Ticker wise, BSML (Bintang Samudera Mandiri) and MCOL (Prima Andalan Mandiri) posted 98.86% and 71.60% MoM gains respectively. On the other hand, the worst sector during the month was the Consumer Cyclical Sector, which recorded a decline of 1.41% MoM. Ticker wise, UFOE (Damai Sejahtera Abadi) and SLIS (Gaya Abadi Sempurna) were the laggards, which fell 48.91% and 37.61% MoM respectively.

### About Allianz Indonesia

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