Smartlink Rupiah Balanced Class B Fund

August 2024

BLOOMBERG: AZRPBLB IJ

Investment Objective

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

Investment Strategy: Balanced

To achieve the investment objectives, this fund shall be invested with a target of 50%- 75% in money market and fixed income instruments, and 25%-50% in equity instruments.

Return Performance

Last 1-year Period		1.50%
Best Month	Nov-23	2.77%
Worst Month	Apr-24	-2.84%

Portfolio Breakdown

Bonds	72.77%
Equity	26.38%
Money Market	0.85%

Top 10 Holding

(in Alphabetical Order)

Bank Mandiri Persero
FR0068 8.375% 15/03/2034
FR0089 6.875% 15/08/2051
FR0091 6.375% 15/04/2032
FR0092 7.125% 15/06/2042
FR0096 7% 15/02/2033
FR0097 7.125% 15/06/2043
FR0098 7.125% 15/06/2038
FR0100 6.625% 15/02/2034
FR0102 6.875% 15/07/2054

*there is no investment on related parties

Industry Sector

Government	69.39%
Finance	10.07%
Infrastructure	4.46%
Basic Materials	3.70%
Technology	2.38%
Consumer Non-Cyclical	2.36%
Industrials	2.30%
Energy	2.04%
Consumer Cyclical	1.99%
Health	1.14%
Property	0.16%

Key Fund Facts

Fund Size (in bn IDR)	IDR 23.01
Risk Level	Moderate
Launch Date	23 Aug 2021
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	21,419,379.4967

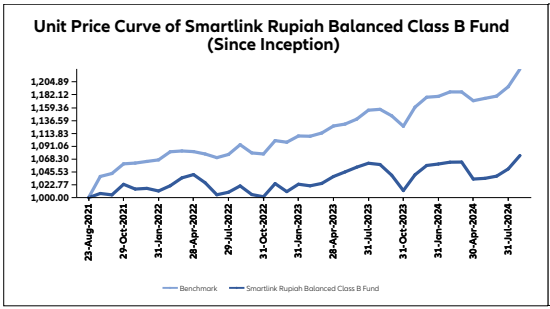
Price per Unit	
(As of Aug 30, 2024)	IDR 1,074.48

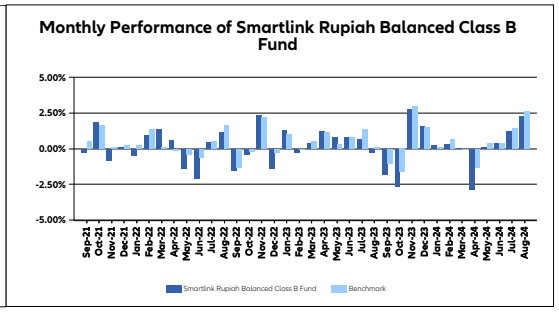
Managed by: PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Balanced Class B Fund	2.25%	3.91%	1.11%	1.50%	6.67%	N/A	1.67%	7.45%
Benchmark*	2.60%	4.41%	3.40%	6.16%	18.34%	N/A	4.23%	22.77%

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

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





Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced August 2024 deflation at -0.03% MoM (vs consensus inflation +0.00%, -0.18% in July 2024). On yearly basis, inflation was at +2.12% YoY (vs consensus inflation +2.10%, +2.13% in July 2024). Core inflation was printed at +2.02% YoY (vs consensus inflation +2.00%, +1.95% in July 2024). The monthly deflation was contributed by the lower price of food group. The BI Board of Governors agreed in their meeting on 20-21 August 2024 to hold the BI-Rate at 6.25%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) at 5.50% and 7.00% respectively. This decision is consistent with the pro-stability focus of monetary policy, namely as a pre-emptive and forward-looking measure to maintain inflation within the 2.5%±1% target corridor in 2024 and 2025. Rupiah was strengthening against USD by +5.04% from 16,294 at the end of July 2024 to 15,473 at the end of August 2024. The strengthening of the Rupiah was impacted by the release of several US Macro data, which show that the US labor market is cooling down. It has fueled investor's expectations of a more aggressive rate cut by the FED this year. Indonesia's trade balance recorded a surplus amounting to USD +472mn in July 2024 vs the previous month's surplus of USD +2,395mn in June 2024. The lower trade surplus was impacted by acceleration of import growth outpace export growth in July 2024. Non-oil and gas trade balance in July 2024 recorded a surplus of USD +2,607mn, which was lower than the previous month recorded a trade surplus amounting to USD +4,434mn in June 2024. Meanwhile, the oil and gas trade balance still recorded a deficit of USD -2,135mn in July 2024, which was higher than the deficit in June 2024, amounting to USD -2,039mn. Indonesia recorded an account deficit of USD -3.02 billion in Q2 of 2024, up from a Current Account Deficit of USD -2.50 billion in the same period the previous year. This deficit accounts for -0.88 percent of the country's GDP. The deficit was driven by a higher service balance deficit, which was USD -5.15bn in Q2 of 2024 from USD -4.60bn in Q2 of 2023. Indonesia's official reserve assets position amassed USD 150.2 billion as of the end of August 2024, increased from USD 145.4 billion as of July 2024. The increase was impacted by several factors, including tax and service receipts, oil and gas export receipts, as well as government's foreign loan withdrawal.

IDR Government bond yields were lower across all the curves in line with IDR Appreciation and offshore inflow. The bullish sentiments came from the global impact of releasing several US macro data that indicate a loosening labor market, and inflation has started to approach around 2.00% level. One indicator, the US Unemployment rate tickling up to a level of 4.30%, has a rising expectation of a more aggressive rate cut this year as it gives concern about the rising potential US recession. Also, Jerome Powell's comment in Jackson Hole about the Fed's cut policy has made the expectation that the Fed would start cutting its rate in September 2024. Indonesia's fiscal balance still show stability and resilience. 7M24 state budget realization recorded good performance with manageable government spending, while government revenue still remains high. Indonesia's fiscal balance recorded a deficit of IDR -93.37tn (7M23: IDR +153.68tn) or -0.41% (prev: +0.74% 7M23) of GDP in 7M24. Offshore accounts increased their holding by IDR +39.24tn in August 2024 (+4.83% MoM), from IDR 813.07tn as of 31 July 2024 to IDR 852.31tn which brought their holding increased to 14.49% of total outstanding tradable government bond (from 14.00% in the previous month). The 5Y yield August 2024 ended -20bps lower to +6.53%(vs +6.73% in July 2024), 10Y tenor ended -26bps lower at +6.64%(vs +6.90% in July 2024), 15Y tenor ended -33bps lower to +6.71% (vs +7.04% in July 2024) and 20Y tenor ended -26bps lower to +6.81% (vs +7.07% in July 2024).

The JCI ended the month higher at 7,670.73 (+5.72% MoM). Market movers were BREN, BBRI, BMRI, DSSA, and MSIN as they rose +24.28%, +10.28%, +11.33%, +40.63%, and +175.18% MoM respectively. Global equities performance was mixed in August due to a combination of 1) Weakness in US August labor market as unemployment rate rose to 4.3%, indicating that a hard landing US recession is still possible 2) Carry trade unwind out of the USD/JPY Currency following rate hike by the BOJ 3) Continuous softness in China economic data, which indicate growth may remain subdued going forward. Domestically in Indonesia, the JCI rallied further in August (+5.72% MoM) as market is pricing in a 100% chance of a US Fed rate cut in Sept, which in turns should be favorable towards EM currencies, including the Rupiah. Sector wise, the Consumer Cyclical Sector was the best-performing sector during the month, gaining +20.41% MoM. Ticker-wise, TMPO (Tempo Inti Media) and MSIN (MNC Digital Entertainment) were the movers, appreciating +237.84% and +175.18% MoM respectively. This was followed by the Properties and Real Estate Sector which rallied +12.62% MoM. Ticker-wise, PPRO (PP Properti) and PANI (Pantai Indah Kapuk Dua) posted +200.00% and +45.54% MoM gains respectively. On the other hand, the worst sector during the month was the Technology Sector, which recorded a decrease of -0.74% MoM. Ticker-wise, AXIO (Tera Data Indonusa) and TRON (Teknologi Karya Digital) were the laggards which fell -17.51% and -10.89% MoM respectively.

About Allianz Indonesia

PT Asuransi Allianz Life Indonesia is a financial service institution licensed and supervised by the Otoritas Jasa Keuangan (OJK) according to POJK 6/2022 which 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 corporate insurance services, ranging from property, life and health insurance to credit insurance and business insurance services globally.

Disclaimer:

Smartlink Rupiah Balanced Class B 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.