

Smartlink Rupiah Balanced Plus Fund

December 2022

BLOOMBERG: AZRPBPF 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 25%-50% in money market and fixed income instruments, and 50%-75% in equity instruments.

Return Performance

Last 1-year Period	Sep-10	-1.98%
Best Month	Mar-20	8.09%
Worst Month	Mar-20	-16.64%

Portfolio Breakdown

Equity	69.49%
Bonds	29.62%
Money Market	0.89%

Top 10 Holding

(in Alphabetical Order)

- Astra International
- Bank Central Asia
- Bank Mandiri Persero
- Bank Negara Indonesia
- Bank Rakyat Indonesia
- Bukalapak.Com
- Impack Pratama Industri Tbk
- MDKAIJ 7.8000 03/08/25
- Merdeka Copper Gold Tbk
- Telekomunikasi Indonesia

Industry Sector

Finance	27.52%
Government	24.36%
Basic Industry	10.30%
Infrastructure	8.61%
Technology	8.30%
Industry	6.90%
Consumer Non-Cyclical	4.37%
Energy	3.55%
Consumer Cyclical	2.95%
Health	2.21%
Property	0.92%

Key Fund Facts

Fund Size (in bn IDR)	IDR 564.22
Risk Level	Moderate - Aggressive
Launch Date	15 Jul 2009
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	261,322,338.9042

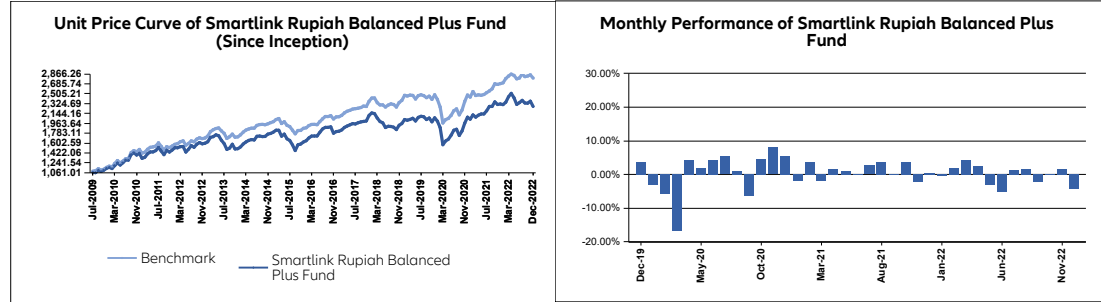
Price per Unit	Bid	Offer
(As of Dec 30, 2022)	IDR 2,159.09	IDR 2,272.73

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 Plus Fund	-4.09%	-2.69%	-1.60%	-1.98%	10.04%	7.74%	-1.98%	127.27%
Benchmark*	-2.06%	-0.92%	0.50%	3.78%	12.31%	17.95%	3.78%	179.20%

*70% Jakarta Composite Index (JCI) & 30% IBPA Indonesia IDR Government Bond Index (IBPRXGTR)

(Benchmark assessment; before Feb 2022: 70% Jakarta Composite Index (JCI), 25% IBPA Indonesia Government Bond Total Return Index (IBPRTRI) & 5% average time deposit (3 months) from Mandiri, BNI, BTN, Danamon and CIMB Niaga; before Sep 2018: 60% Jakarta Composite Index (JCI) & 40% average time deposit (3 months) from Mandiri, BNI, BTN, Danamon and CIMB Niaga)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Dec 2022 inflation at +0.66% mom (vs consensus inflation +0.54%, +0.09% in Nov 2022). On yearly basis, inflation was at +5.51% yoy (vs consensus inflation +5.39%, +5.42% in Nov 2022). Core inflation was printed at +3.36% yoy (vs consensus inflation +3.39%, +3.30% in Nov 2022). The higher yearly inflation was contributed by the higher inflation on administered prices group which was impacted by the higher fuel prices and airfare. While the inflation on volatile food group decreased from 5.70% on Nov 2022 to 5.61% on Dec 2022. The BI Board of Governors agreed on 21-22 Dec 2022 to increase the BI 7-Day Reverse Repo Rate by 25bps to be 5.50% and also increase the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 4.75% and 6.25%, respectively. In total, Bank Indonesia had increased their benchmark rate by 200bps along 2022. This decision for this policy is as front loaded, pre-emptive and forward-looking movement to lower the expectation inflation, to ensure the core inflation back to their target level at $\pm 1\%$ on 1H 2023, and also to strengthen the Rupiah currency amid the uncertainty of global financial market. Rupiah appreciated against USD by +0.95% from 15,742 at end of November 2022 to 15,592 at end of December 2022. The appreciation of Rupiah was impacted by the weakening of Dollar currency and also the inflow from foreign investor to Indonesia's bond market. Indonesia's trade balance recorded surplus amounting to USD +5,159mn in November 2022 vs previous month surplus USD +5,674mn in Oct 2022. The higher of trade surplus was mostly impacted by the slowing down in imports number on capital & raw material goods. The exports number declined from 12.30% YoY in Oct 2022 to 5.60% YoY in Nov 2022 on the back of decreasing of coal and palm oil export. Non-oil and gas trade balance in Nov 2022 recorded surplus USD +6,827mn, which was lower than the previous month that recorded trade surplus amounting to USD +7,663mn in Oct 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,668mn in Nov 2022, which was lower than the deficit in Oct 2022 amounting to USD -1,989mn. Indonesia's official reserve assets position amassed USD137.2 billion as of end-December 2022, increased from USD134.0 billion as of end-November 2022. The gain of official reserves assets in December 2022 was underpinned, amongst others, by the tax and service receipts as well as government's foreign loan withdrawal.

IDR Government bond yields were mostly posted lower across all the curves in line except the 10yr which was unchanged and 20yr tenor slightly higher. The Indonesia's bond market was opened with bullish tone which was shown by the incoming of foreign investor to the Indonesia's bond market. However, the tone has changed and market players tended to choose the sideways position after Fed indicated that they will continue to have hawkish stance in 2023. This was impacted by the better US economic indicator, such as: better number of US unemployment rate, and the GDP number per Q3 2022 that grew by +3.20% QoQ. Offshore accounts increased their holding by IDR +25.26tn in Dec 2022 (+3.43% MoM), from IDR 736.93 as of 30 Nov 2022 to IDR 762.19tn as of 30 Dec 2022 which brought their holding to 14.36% of total outstanding tradable government bond (from 14.27% in the previous month). The 5Y yield Dec 2022 ended -17bps lower to +6.20%(vs +6.37% in Nov 2022), 10Y tenor unchanged at +6.94%(vs +6.94% in Nov 2022), 15Y tenor ended -33bps lower to +6.84% (vs +7.17% in Nov 2022) and 20Y tenor ended +1bps higher to +7.11% (vs +7.10% in Nov 2022).

The JCI ended the month lower at 6,850.62 (-3.26% MoM). Market laggards were GOTO, BBKA, TLKM, BMRI, and AMRT as they fell -39.74%, -7.71%, -7.18%, -5.70%, and -14.24% MoM respectively. Global equities fell in December post a 2 months rally largely driven by Fed Officials comments reaffirming the view that interest rates will stay higher for longer going forward. Investors are also concerned on the possibility of recession hitting the global developed economy ie. US and Europe as a result of aggressive tightening by the global central banks to combat inflation. On the Job market front, recent US Job market data showed that it remains tight resulting in very resilient wage growth, one of the most important data points that Fed officials will look at to determine its rate action onwards. Moving on to Indonesia, JCI also fell in December by 3.3% MoM as profit taking activities across sectors were apparent from foreign investors as JCI have been one of the most resilient markets in the region if not the world. Sector wise, the Technology Sector was the worst performing sector during the month, declining 12.45% MoM. Ticker wise, KIOS (Kioson Komersial) and GOTO (Goto Gojek Tokopedia) were the laggards, depreciating 52.70% and 39.74% MoM respectively. This was followed by the Transportation and Logistic Sector which dropped 6.38% MoM. Ticker wise, HATM (Habco Trans Maritima) and BPTR (Batavia Prosperindo) posted 24.37% and 19.58% MoM losses respectively. On the other hand, the best sector during the month was the Energy Sector, which recorded a gain of 9.66% MoM. Ticker wise, GTBO (Garda Tujuh Buana) and BYAN (Bayan Resources) were the movers which rose 128.05% and 125.56% MoM respectively.

About Allianz Indonesia

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