Smartlink Rupiah Balanced Class B Fund

December 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		-1.21%
Best Month	Nov-23	2.77%
Worst Month	Apr-24	-2.84%

Portfolio Breakdown

Bonds	65.90%
Equity	31.95%
Money Market	2.15%

Top 10 Holding

(in Alphabetical Order)

Bank Central Asia
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	61.86%
Finance	11.62%
Basic Materials	6.07%
Infrastructure	4.11%
Technology	3.92%
Energy	3.01%
Industrials	3.01%
Consumer Cyclical	2.58%
Consumer Non-Cyclical	2.49%
Health	0.81%
Property	0.52%

Key Fund Facts

Fund Size (in bn IDR)	IDR 30.55
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	29,260,988.0607

Price per Unit	
(As of Dec 30, 2024)	IDR 1,044.12

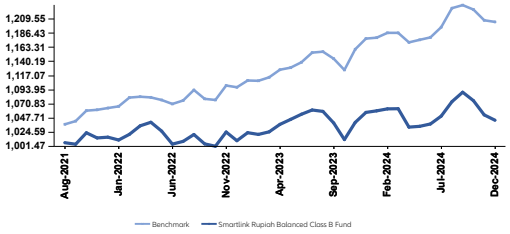
Managed by: PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Balanced Class B Fund	-0.83%	-4.21%	0.59%	-1.21%	2.74%	N/A	-1.21%	4.41%
Benchmark*	-0.22%	-2.23%	2.15%	2.32%	13.26%	N/A	2.32%	20.52%

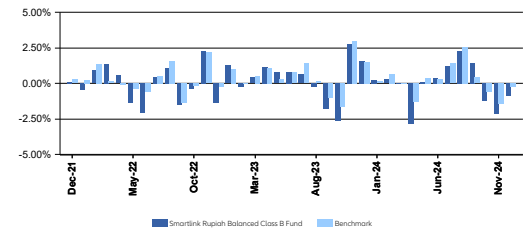
*25% Jakarta Composite Index (JCI) & 75% IBPA Indonesia IDR Government Bond Index (IBPRXGTR Index)

(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)

Unit Price Curve of Smartlink Rupiah Balanced Class B Fund (Since Inception)



Monthly Performance of Smartlink Rupiah Balanced Class B Fund



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced December 2024 inflation at +0.44% MoM (vs consensus inflation 0.46%, +0.30% in November 2024). On yearly basis, inflation was at +1.57% YoY (vs consensus inflation +1.50%, +1.55% in November 2024). Core inflation was printed at +2.26% YoY (vs consensus inflation +2.29%, +2.26% in November 2024). The monthly inflation was contributed by the higher price of food, beverage and tobacco group and health group. The BI Board of Governors agreed in their meeting on 17-18 December 2024 to to hold the BI-Rate at 6.00%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) rate at 5.25% and 6.75%, respectively. The decision is consistent with the direction of monetary policy to control inflation in 2024 and 2025 within the 2.5 ±1% target corridor, while supporting sustainable economic growth. The focus of monetary policy is on strengthening Rupiah stability in response to heightened global economic uncertainty caused by the policy direction of the United States (US) and escalating geopolitical tensions in various regions. Moving forward, Bank Indonesia will remain vigilant of Rupiah exchange rate movements and the inflation outlook as well as emerging dynamic economic conditions when considering further room for monetary easing. Rupiah was weakening against USD by -1.90% from 15,856 at the end of November 2024 to 16,157 at the end of December 2024. The weakening of the Rupiah was influenced by uncertainty surrounding import tariff policies, especially after Trump's victory in the US election. This situation led to a significantly stronger US Dollar, as inward-looking policies created a risk-off sentiment and favored safe-haven assets, particularly the US Dollar. Indonesia's trade balance recorded a surplus amounting to USD +4,420mn in November2024 vs the previous month's surplus of USD +2,483mn in October 2024. The higher trade surplus was impacted by decelerate of import growth in November 2024. Non-oil and gas trade balance in November 2024 recorded a surplus of USD +5,673mn, which was higher than the previous month recorded a trade surplus amounting to USD +4,804mn in October 2024. Meanwhile, the oil and gas trade balance still recorded a deficit of USD -1,253mn in November 2024, which was lower than the deficit in October 2024, amounting to USD -2,321mn. Indonesia's official reserve assets position amassed USD 155.7 billion as of the end of December 2024, increased from USD 150.2 billion as of November 2024. The increased was impacted by tax and service receipts, government's foreign loan withdrawal, as well as oil and gas export receipts, despite rupiah stabilisation policy given heightened global financial market uncertainty.

IDR Government bond yields were mostly higher across all the curves, in line with IDR Depreciation. Bearish sentiment in the market is currently driven by ongoing concerns about Trump's inward-looking policies and the uncertainty surrounding China's economic recovery. Following the December 24 FOMC meeting, investor uneasiness increased as the Federal Reserve indicated a less dovish stance for 2025, despite implementing a 25 basis point rate cut to 4.50%. The Fed revised its 2025 rate-cut projection from a previously expected 100 basis points down to just 50 basis points. As a result, investors are increasingly inclined to seek safe havens, such as US Dollar-denominated assets. Indonesia's fiscal balance still show stability and resilience. 11M24 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 -401.77tn (11M23: IDR -49.57tn) or -1.81% (prev: -0.24% 11M23) of GDP in 11M24. Offshore accounts increased their holding by IDR +4.14tn in December 2024 (+0.47% MoM), from IDR 872.50tn as of 29 November 2024 to IDR 876.64tn which brought their holding decreased to 14.52% of total outstanding tradable government bond (from 14.53% in the previous month). The 5Y yield December 2024 ended +28bps higher to +7.04%(vs +6.76% in November 2024), 10Y tenor ended +13bps higher to +7.00%(vs +6.87% in November 2024), 15Y tenor ended +9bps higher to +7.08% (vs +6.99% in November 2024) and 20Y tenor ended +6bps higher to +7.12% (vs +7.06% in November 2024).

The JCI ended the month lower at 7,079.91 (-0.48% MoM). Market laggards were BMRI, BBNI, AMMN, BBCA, and BRMS as they fell -7.32%, -12.65%, -5.83%, -3.25%, and -16.43% MoM respectively. Global equities performance was mixed in December, with the US market slightly correcting while the European equity market posted positive returns along with the China equity market as market participants are uncertain about Donald Trump's economic policies. Trump's popular policies, such as the reduction of corporate tax, deregulation and imposition of tariffs on foreign products, are expected to boost economic growth, especially for the domestic industries. At the same time, these policies may lead to a higher inflation rate, making it harder for the Fed's goal of a soft landing of the economy. Domestically in Indonesia, the JCI corrected further in December (-0.48% MoM), driven by sell-offs within the big caps, banks in particular, as foreign-initiated risk-off mode positioning post the US election. Sector wise, the Transportation and Logistic Sector was the worst performing sector during the month, declining -6.98% MoM. Ticker wise, TAXI (Express Transindo) and BIRD (Blue Bird) were the laggards, depreciating -46.15% and -15.04% MoM respectively. This was followed by the Financial Sector which dropped -4.35% MoM. Ticker wise, INPC (Bank Artha Graha Internasional) and BBHI (Allo Bank Indonesia) posted -25.00% and -21.94% MoM losses respectively. On the other hand, the best sector during the month was the Energy Sector, which recorded a gain of +4.65% MoM. Ticker wise, CNKO (Exploitasi Energi Indonesia) and CUAN (Petrindo Jaya Kreasi) were the movers which rose +214.29% and +66.04% MoM respectively.

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