Smartlink Rupiah Balanced Class B Fund

January 2025

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		-1.73%
Best Month	Nov-23	2.77%
Worst Month	Apr-24	-2.84%

Portfolio Breakdown

Bonds	66.90%
Equity	31.89%
Money Market	1.21%

Top 10 Holding

(in Alphabetical Order)

Stock - Bank Central Asia
Bond - FR0068 8.375% 15/03/2034
Bond - FR0089 6.875% 15/08/2051
Bond - FR0091 6.375% 15/04/2032
Bond - FR0096 7% 15/02/2033
Bond - FR0097 7.125% 15/06/2043
Bond - FR0098 7.125% 15/06/2038
Bond - FR0100 6.625% 15/02/2034
Bond - FR0102 6.875% 15/07/2054
Stock - GoTo Gojek Tokopedia

*there is no investment on related parties

Industry Sector

Government	62.74%
Finance	10.33%
Basic Materials	6.16%
Technology	4.90%
Infrastructure	4.10%
Energy	3.00%
Industrials	2.98%
Consumer Cyclical	2.30%
Consumer Non-Cyclical	2.17%
Health	0.81%
Property	0.52%

Key Fund Facts

Fund Size (in bn IDR)	IDR 30.38
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	29,184,026.6770

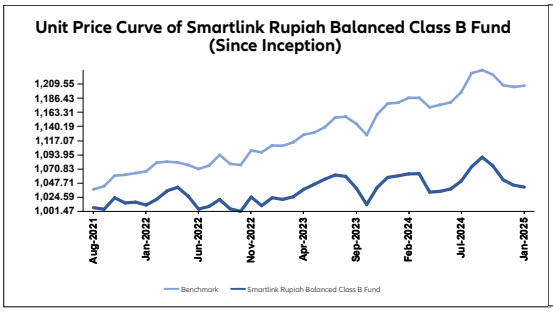
Price per Unit	
(As of Jan 31, 2025)	IDR 1,041.13

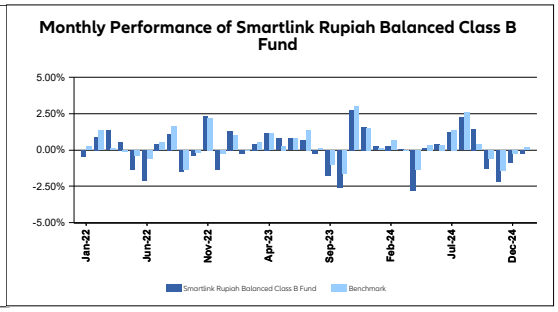
Managed by: PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Balanced Class B Fund	-0.29%	-3.26%	-0.92%	-1.73%	2.91%	N/A	-0.29%	4.11%
Benchmark*	0.16%	-1.49%	0.89%	2.36%	13.15%	N/A	0.16%	20.71%

*25% IDX80 Index & 75% IBPA Indonesia IDR Government Bond Index (IBPRXGTR Index)

(Benchmark assessment; before Jan 2025: 25% Jakarta Composite Index (JCI) & 75% IBPA Indonesia IDR Government Bond Index (IBPRXGTR Index); 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 January 2025 deflation at -0.76% MoM (vs consensus inflation +0.35%, +0.44% in December 2024). On yearly basis, inflation was at +0.76% YoY (vs consensus inflation +1.86%, +1.57% in December 2024). Core inflation was printed at +2.36% YoY (vs consensus inflation +2.29%, +2.26% in December 2024). The monthly deflation was contributed by the lower price of personal care group. The BI Board of Governors agreed in their meeting on 14-15 January 2025 to lower the BI-Rate by 25bps to 5.75%, while also lowering the Deposit Facility (DF) rate and Lending Facility (LF) rate by 25bps to 5.00% and 6.50%, respectively. The decision is consistent with low projected inflation in 2025 and 2026 within the 2.5±1% target corridor, maintaining the rupiah exchange rate in line with economic fundamentals to control inflation within the target range and the need to also drive economic growth. Moving forward, Bank Indonesia will continue orienting monetary policy towards maintaining inflation within the target corridor and exchange rate in line with the Rupiah's fundamental value, while considering further room for monetary easing to also drive economic growth in line with global and national economic dynamics. Rupiah was weakening against USD by -0.96% from 16,157 at the end of December 2024 to 16,312 at the end of January 2025. The weakening of the Rupiah was influenced by the FOMC meeting's outcome, which revealed a less dovish statement from the Fed than the market anticipated. Additionally, uncertainty surrounding US import tariff policies heightened market sentiment uncertainty. Indonesia's trade balance recorded a surplus amounting to USD +2,239mn in December 2024 vs the previous month's surplus of USD +4,367mn in November 2024. The lower trade surplus was impacted by decelerate of export growth in December 2024. Non-oil and gas trade balance in December 2024 recorded a surplus of USD +3,996mn, which was lower than the previous month recorded a trade surplus amounting to USD +5,623mn in November 2024. Meanwhile, the oil and gas trade balance still recorded a deficit of USD -1,757mn in December 2024, which was higher than the deficit in November 2024, amounting to USD -1,256mn. Indonesia's economy grew by +5.02% YoY in 4Q 2024 (vs. previous 4.95%, consensus +4.96%) and +0.53% QoQ (vs previous +1.50%, consensus +0.47%). In terms of expenditure, the main contributor to the growth was the growth of Household Consumption, which grew by +4.98% YoY, with the growth supported by the seasonal boost from Christmas and New Year festivities. The investment grew moderately, +5.03% YoY. government expenditure and non-profit consumption show deceralate, which grew by +4.17% YoY and +6.06% YoY, driven by the new administration's efforts to enhance budget efficiency. Indonesia's official reserve assets position amassed USD 156.1 billion as of the end of January 2025, increased from USD 155.7 billion as of December 2024. The increased was impacted by government's global bond issuance as well as tax and service receipts despite rupiah stabilisation policy amid ongoing global financial market uncertainty.

IDR government bond yields showed mixed results across the curves. Market sentiment is currently driven by Trump's policies following his inauguration in January 2025. The focus is on the trade tariff policy that his administration is expected to implement. During his inauguration speech, Trump announced that there would be no significant changes to US trade policy, which the markets interpreted as a sign of a gradual approach rather than widespread implementation of tariffs. However, towards the end of January, Trump began imposing tariffs on Canada, Mexico, and China, creating an uncertain environment. Additionally, news from the FOMC meeting indicated a less dovish statement from the Fed. As anticipated by the market, the Fed Funds Rate (FFR) was maintained at 4.25%-4.50%. In the press release, the Fed removed the optimistic statement regarding disinflation progress, suggesting that inflation levels are still elevated. Jerome Powell also emphasized that the Fed should not rush to cut policy rates, as the economy remains strong. Despite this, the FOMC's statement did not alter expectations for a 50 basis point rate cut in 2025. Indonesia's fiscal balance still show stability and resilience. 12M24 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 -507.80tn (12M23: IDR -347.60tn) or -2.30% (prev: -1.70% 12M23) of GDP in 12M24. Offshore accounts increased their holding by IDR +4.65tn in January 2025 (+0.53% MoM), from IDR 876.64tn as of 31 December 2024 to IDR 881.29tn which brought their holding decreased to 14.46% of total outstanding government bond (from 14.52% in the previous month). The 5Y yield January 2025 ended -17bps lower to +6.87%(vs +7.04% in December 2024), 10Y tenor ended -1bps lower to +6.99%(vs +7.00% in December 2024), 15Y tenor ended +6bps higher to +7.14% (vs +7.08% in December 2024) and 20Y tenor ended +2bps higher to +7.14% (vs +7.12% in December 2024).

The JCI ended the month higher at 7,109.20 (+0.41% MoM). Market movers were DSSA, BMRI, GOTO, BBRI and BBNI as they rose +21.49%, +5.70%, +15.71%, +3.43%, and +9.66% MoM respectively. Global equities performance was mixed in January, with the US and European equity market posted positive returns while China equity market corrected as the return of President Trump to the White House, along with his 'America First' policy agenda, proved supportive for US equities. While his potential tariffs imposition to the rest of world is deemed to be negative with China likely to get imposed more than the other. Domestically in Indonesia, the JCI ended January on a higher note (+0.41% MoM), as recent BI surprised rate cut cemented expectations that the central bank is shifting stance into pro-growth, which is expected to be positive for equities. Sector wise, the Technology Sector was the best-performing sector during the month gaining +8.76% MoM. Ticker-wise, GOTO (Goto Gojek Tokopedia) and WIFI (Solusi SInergi Digital) were the movers, appreciating +15.71% and +198.78% MoM respectively. (Raharja Energi Cepu) and RAJA (Rukun Raharja) posted +613.04% and +52.57% MoM gains respectively. On the other hand, the worst sector during the month was the Industrial Sector, which recorded a decrease of -6.96% MoM. Ticker-wise, GPSO (Geoprima Solusi) and SINI (Singaraja Putra) were the laggards which fell -64.41% and -60.50% MoM respectively.

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