

Fund Fact Sheet

# SMARTLINK RUPIAH BALANCED PLUS CLASS B FUND

## July 2022

**BLOOMBERG: AZRPBPB 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 |        | N/A    |
| Best Month         | Mar-22 | 4.25%  |
| Worst Month        | Jun-22 | -5.06% |

### Portfolio Breakdown

|              |        |
|--------------|--------|
| Equity       | 69.90% |
| Bonds        | 26.16% |
| Money Market | 3.93%  |

### Top 10 Holding

(in Alphabetical Order)

- Adaro Energy
- Bank Central Asia
- Bank Jago Tbk
- Bank Mandiri Persero
- Bank Rakyat Indonesia
- Bukalapak.Com
- GoTo Gojek Tokopedia Tbk
- Impack Pratama Industri Tbk
- Merdeka Copper Gold Tbk
- Telekomunikasi Indonesia

### Industry Sector

|                       |        |
|-----------------------|--------|
| Finance               | 25.66% |
| Government            | 21.35% |
| Technology            | 10.92% |
| Basic Industry        | 9.98%  |
| Infrastructure        | 9.09%  |
| Energy                | 5.51%  |
| Industry              | 5.18%  |
| Consumer Non-Cyclical | 4.19%  |
| Consumer Cyclical     | 3.16%  |
| Health                | 2.75%  |
| Property              | 2.20%  |

### Key Fund Facts

|                           |                       |
|---------------------------|-----------------------|
| Fund Size (in bn IDR)     | IDR 3.28              |
| Risk Profile              | Moderate - Aggressive |
| 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                | 3,171,796,4816        |

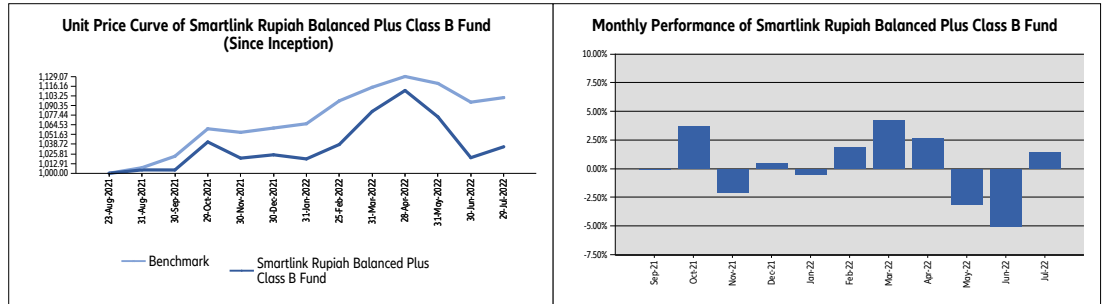
|                       |              |
|-----------------------|--------------|
| <b>Price per Unit</b> |              |
| (As of Jul 29, 2022)  | IDR 1,035.30 |

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 Class B Fund | 1.42%   | -6.76%   | 1.59%    | N/A    | N/A     | N/A     | 1.04% | 3.53%           |
| Benchmark*                                  | 0.56%   | -2.50%   | 3.27%    | N/A    | N/A     | N/A     | 3.83% | 10.09%          |

\*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)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced July 2022 inflation +0.64% mom (vs consensus inflation +0.53%, +0.61% in June 2022). On yearly basis, inflation was +4.94% yoy (vs consensus inflation +4.82%, +4.35% in June 2022). Core inflation was printed at +2.86% yoy (vs consensus inflation +2.86%, +2.63% in June 2022). The higher of yearly inflation was impacted by the energy inflation, which was impacted by the global crisis, as well as food inflation which was impacted by the seasonal condition. The BI Board of Governors agreed on 20-21 July 2022 to hold the BI 7-Day Reverse Repo Rate at 3.50%, and hold the Deposit Facility (DF) and Lending Facility (LF) rates at 2.75% and 4.25%, respectively. This policy is in line to support the Indonesia's economic growth amid global economic slowdown. Rupiah appreciated against USD by +0.55% from 14,956 at end of June 2022 to 14,874 at end of July 2022. Indonesia's trade balance recorded surplus amounting to USD +5,089mn in June 2022 vs previous month surplus USD +2,895mn in May 2022. Higher trade surplus was supported by the increment of CPO oil export after the export ban was lifted. Non-oil and gas trade balance in June 2022 recorded surplus USD +7,229mn, which was lower than the previous month that recorded trade surplus amounting to USD +4,753mn in June 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -2,140mn in June 2022, which was higher than the deficit in May 2022 amounting to USD -1,858mn. Indonesia's official foreign reserve in the end of June 2022 was at USD 136.4bn, slightly higher than May 2022 number at USD 135.6bn due to global bond issuance.

IDR Government bond yields were closed mixed all across the curve. Bond market was opened in bearish tone in the beginning of the month which was impacted by the concern over higher inflation around the world, especially higher inflation in US reached at 9.10%. However, there was risk-on sentiment in the market after the US FOMC meeting on 26-27 July 2022, which indicate that the Fed would be more likely to slow rate hikes. Market cheered up this view which was also shown by lower US Treasury yield 10yr and the weakening Dollar Index. On 27 July 2022, Japan Credit Rating Agency has affirmed Indonesia's Sovereign Credit Rating at 'BBB+' (investment grade) with a Stable Outlook. According to JCR, key factors that support the affirmation are Indonesia's strong growth outlook prospect and manageable government debt. Offshore accounts decreased their holding by IDR -28.98tn in July 2022 (-3.71% MoM), from IDR 780.22tn as of 30 June 2022 to IDR 751.24tn as of 29 July 2022, which brought their holding to 15.36% of total outstanding tradable government bond (from 16.09% in the previous month). The 5Y yield July 2022 ended +33bps higher to +6.46% (vs +6.13% in June 2022), 10Y tenor ended -10bps lower to +7.12% (vs +7.22% in June 2022), 15Y tenor ended -47bps lower to +6.87% (vs +7.34% in June 2022) and 20Y tenor ended +32bps higher to +7.57% (vs +7.25% in June 2022).

The JCI ended the month higher at 6,951.12 (+0.57% MoM). Market movers were BBRI, TLKM, BMRI, UNTR, and ARTO as they rose 5.06%, 5.75%, 4.42%, 13.73%, and 15.57% MoM respectively. Global stock markets rebounded in July despite continued monthly inflation surprise as recent pullback in the commodities as well as improvements in the global supply chain side resulted in investors taking a view that inflation may be peaking soon. During the Fed meeting in July, The Fed raised its FFR rate by 75 bps and mentioned that it will likely become appropriate to slow down the pace of increases while it assesses how the monetary tightening is affecting the economy and inflation. In Addition, the Fed also reassured the market that it does not think that the US economy is in recession, given the strong labor market. All these factors improved investors sentiment towards the global equity market in July. Moving on to Indonesia, Indonesia equity markets underperformed its developed market peers in July as combination of higher inflation, currency weakening triggered foreign outflows out of the Indonesia equity market. On the valuation front, the JCI currently trades at 2022 earnings multiple of 16.2x, which is slightly below its mean but considering low foreign investors positioning combined with improving economic activity, we believe investors' appetite in Indonesian stocks will continue to improve in the longer run. However, we can't rule out that recession risk could pressure commodity price which in turn would Indonesia's fiscal balance vulnerable. Sector wise, the Energy Sector was the best performing sector during the month, gaining 13.40% MoM. Ticker wise, RAJA (Rukun Raharja) and BIPI (Astrindo Nusantara) were the movers, appreciating 174.29% and 87.83% MoM respectively. This was followed by the Industrials Sector which rallied 8.10% MoM. Ticker wise, CAKK (Cahayaputra Asa Keramik) and BMTR (Global Mediacom) posted 128.87% and 39.04% MoM gains respectively. On the other hand, the worst sector during the month was the Healthcare Sector, which recorded a decline of 4.37% MoM. Ticker wise, SIDO (Industri Jamu dan Farmasi Sido) and MIKA (Mitra Keluarga) were the laggards which fell 9.50% and 9.45% MoM respectively.

### About Allianz Indonesia

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