

# SMARTLINK RUPIAH EQUITY FUND

## June 2022

**BLOOMBERG: AZRPEQF U**

### Investment Objective

The objective of this fund is to provide maximum long term investment yield.

### Investment Strategy

To achieve the investment objective, this fund shall be invested 0 - 20% in short-term instruments and 80 - 100% in equity instruments.

### Return Performance

Last 1-year Period	4.37%
Best Month	Jul-09 14.70%
Worst Month	Oct-08 -19.00%

### Portfolio Breakdown

Equity	94.60%
Money Market	5.40%

### Top 10 Holding

(in Alphabetical Order)

Bank Central Asia  
Bank Danamon Indonesia 1.5% 20/07/2022  
Bank Jago Tbk  
Bank Mandiri Persero  
Bank Rakyat Indonesia  
Bukalapak.Com  
GoTo Gojek Tokopedia Tbk  
Merdeka Copper Gold Tbk  
Telekomunikasi Indonesia  
Tower Bersama Infrastruck

### Industry Sector

Finance	34.05%
Technology	14.73%
Infrastructure	12.50%
Basic Industry	11.34%
Industry	6.39%
Energy	6.21%
Consumer Non-Cyclical	4.42%
Consumer Cyclical	4.11%
Health	4.09%
Property	2.18%

### Key Fund Facts

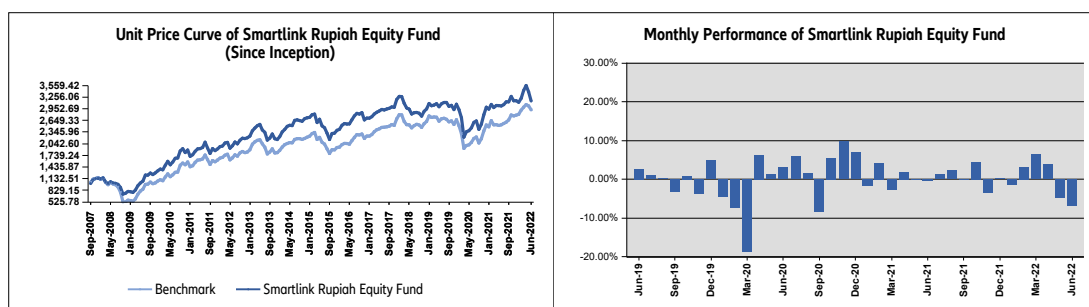
Fund Size (in bn IDR)	IDR 9,814.80
Risk Profile	Aggressive
Launch Date	01 Sep 2007
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	3,270,905,196.8070

Price per Unit	Bid	Offer
(As of Jun 30, 2022)	IDR 3,000.64	IDR 3,158.57

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Equity Fund	-6.89%	-7.94%	-0.15%	4.37%	2.42%	7.58%	-0.15%	215.86%
Benchmark*	-3.32%	-2.26%	5.02%	15.47%	8.70%	18.56%	5.02%	192.70%

\*Jakarta Composite Index (JCI)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced June 2022 inflation +0.61% mom (vs consensus inflation +0.45%, +0.40% in May 2022). On yearly basis, inflation was +4.35% yoy (vs consensus inflation +3.55%, +4.19% in May 2022). Core inflation was printed at +2.63% yoy (vs consensus inflation +2.70%, +2.58% in May 2022). The higher inflation was mainly contributed by the volatile food group, especially the horticulture commodity. The BI Board of Governors agreed on 22-23 June 2022 to hold the BI 7-Day Reverse Repo Rate at 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 2.75% and 4.25%, respectively. This policy is in line for maintaining the inflation level and exchange rate, and also to support the economic growth amid higher external pressure which was impacted by the risk of stagflation in most of country in the world. Rupiah depreciated against USD by -2.49% from 14,592 at end of May 2022 to 14,956 at end of June 2022. Indonesia's trade balance recorded surplus amounting to USD 2,895mn in May 2022 vs previous month surplus USD 7,557mn in April 2022. The lower trade surplus was impacted by the export ban of palm oil which was showed by the declining of palm oil export to EU from 45% to 3% YoY in May 2022. Non-oil and gas trade balance in May 2022 recorded surplus USD +4,753mn, which was lower than the previous month that recorded trade surplus amounting to USD +9,938mn in April 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,858mn in May 2022, which was lower than the deficit in April 2022 amounting to USD -2,381mn.

The JCI Index ended the month lower at 6,911.58 (-3.32% MoM). Market laggards were BBRI, MDKA, BBKA, ASII, and BMRI as they fell -10.37%, -26.79%, -6.45%, -9.86% and -6.76% MoM respectively. Global stock markets sentiment fell in the month of June as persistent US inflation numbers, where May-22 inflation posted 8.6% YoY, which above market expectation of 8.3%. This was followed by more aggressive US tightening, where the FED raised Fed Fund Rate by 75bps which indicated further tightening ahead until inflation number close to the FED target at 2-4% range. All these events increased market concerns on potential economy recession, whereby market expects the Fed be more aggressive in its liquidity tightening plan, which could lead to US economy recession in 2023. Indonesia stock market also affected by current global tightening. We have seen big outflows this year even though foreign ownerships in bonds were low, which has depreciated rupiah currency to IDR 14,800/USD at the end of the month. 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 Transportation and Logistic Sector was the worst performing sector during the month, declining 15.13% MoM. Ticker wise, CMPP (Airasia Indonesia) and TNCA (Trimuda Nuansa Citra) were the laggards, depreciating 40.56% and 40.00% MoM respectively. This was followed by the Basic Materials Sector which dropped 12.89% MoM. Ticker wise, TIRT (Tirta Mahakam) and SULI (Sumalindo Lestari) posted 47.37% and 37.50% MoM losses respectively. On the other hand, the best sector during the month was the Technology Sector, which recorded a gain of 2.26% MoM. Ticker wise, TECH (Indosterling Technomedia) and GOTO (Goto Gojek Tokopedia) were the movers which rose 50.24% and 27.63% MoM respectively.

For portfolio strategy, we still maintain non defensives cyclical exposures on economic recovery expectation in 2022. We are constructive on the new economy sector as well as green energy value chain related sectors. Generally speaking, our preference on equities that have pricing power, efficient balance sheet and good corporate governance has not changed regardless of condition. However, we have increased our cash portion given rising recession and geopolitical risks.

### About Allianz Indonesia

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