

# Smartlink Rupiah Balanced Plus Fund

March 2024

**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: Balanced

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	3.13%
Best Month	Mar-20	8.09%
Worst Month	Mar-20	-16.64%

## Portfolio Breakdown

Equity	66.94%
Bonds	32.34%
Money Market	0.72%

## Top 10 Holding

(in Alphabetical Order)

- Bank Central Asia
  - Bank Mandiri Persero
  - Bank Rakyat Indonesia
  - Bukalapak.Com
  - FR0102 6.875% 15/07/2054
  - Impack Pratama Industri Tbk
  - Indofood CBP Sukses Makmur
  - Indosat
  - Merdeka Copper Gold Tbk
  - Telekomunikasi Indonesia
- \*there is no investment on related parties

## Industry Sector

Government	29.75%
Finance	24.99%
Infrastructure	10.08%
Consumer Non-Cyclical	8.30%
Basic Industry	6.60%
Technology	5.30%
Consumer Cyclical	5.15%
Health	3.45%
Industry	3.37%
Energy	1.77%
Property	0.95%
Basic Materials	0.29%

## Key Fund Facts

Fund Size (in bn IDR)	IDR 518.11
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	230,118,181.9709

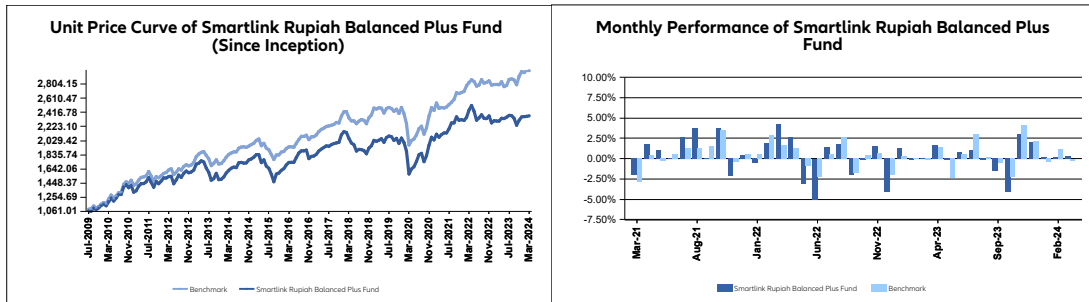
Price per Unit	Bid	Offer
(As of Mar 28, 2024)	IDR 2,251.50	IDR 2,370.00

Managed by	PT. Asuransi Allianz Life Indonesia
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	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Balanced Plus Fund	0.30%	0.62%	1.42%	3.13%	14.13%	16.43%	0.62%	137.00%
Benchmark*	-0.23%	0.45%	4.50%	6.92%	20.99%	20.58%	0.45%	199.11%

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

(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 March 2024 inflation at +0.52% MoM (vs consensus inflation +0.4%, +0.37% in February 2024). On yearly basis, inflation was at +3.05% YoY (vs consensus inflation +2.91%, +2.75% in February 2024). Core inflation was printed at +1.77% YoY (vs consensus inflation +1.71%, +1.68% in February 2024). The higher inflation MoM was contributed by the higher price of health group and personal care & other service group. The BI Board of Governors agreed in their meeting on 19-20 March 2024 to hold the BI 7-Day Reverse Repo Rate at 6.00% and also held the Deposit Facility (DF) and Lending Facility (LF) rates at 5.25% and 6.75%, respectively. In total, Bank Indonesia had increased their benchmark rate by 250bps up to Dec 2023. The decision remains consistent with the pro-stability focus of monetary policy, namely to strengthen rupiah stabilization policy, and as a pre-emptive and forward-looking measure to maintain inflation within the 2.5%±1% target corridor in 2024. Rupiah weakening against USD by -1.01% from 15,715 at the end of February 2024 to 15,873 at the end of March 2024. The weakening of Rupiah was impacted by the release of U.S. Macroeconomic data that showed more robust results than expected. The Fed will not be rushed to cut policy this year and is still in a “higher-for-longer” stance to push inflation to 2.00%. Indonesia’s trade balance recorded a surplus amounting to USD +867mn in February 2024 vs the previous month’s surplus of USD +2,000mn in January 2024. The lower trade surplus was impacted by exports showing negative growth; on the other hand, imports showed positive growth in February 2024. Non-oil and gas trade balance in February 2024 recorded a surplus of USD +2,630mn, which was lower than the previous month recorded a trade surplus amounting to USD +3,300mn in January 2024. Meanwhile, the oil and gas trade balance still recorded a deficit of USD -1,763mn in February 2024, which was higher than the deficit in January 2024, amounting to USD -1,301mn. Indonesia’s official reserve assets position amassed USD 140.4 billion as of the end of March 2024, decrease from USD 144.0 billion as of February 2024. The decrease was impacted by anticipation of corporate liquidity needs, and the need for Rupiah stabilisation in line with persistently high global financial market uncertainty.

IDR Government bond yields were mostly higher across all the curves in line with offshore outflow and IDR Depreciation. The bearish sentiments came from the global impact of the U.S. macroeconomic data release, which shows that many macroeconomic indicators still show higher results than expected. It make the Fed not rush to cut the rate and will still be in “higher for longer stance” until macroeconomic data show economic growth weakened or inflation comes down to 2.00%. Indonesia’s fiscal balance continues to show improvement and resilience. 2M24 state budget realization recorded great performance driven by low government spending, while government revenue remains high. Indonesia’s fiscal balance recorded a surplus of IDR 26.04tn (2M23: IDR +131.83tn) or +0.11% (prev. +0.63% 2M23) of GDP in 2M24. Offshore accounts decreased their holding by IDR -26.42tn in March 2024 (-3.16% MoM), from IDR 837.13tn as of 29 February 2024 to IDR 810.71tn which brought their holding decreased to 14.20% of total outstanding tradable government bond (from 14.47% in the previous month). The 5Y yield March 2024 ended +11bps higher to +6.60%(vs +6.49% in February 2024), 10Y tenor ended +8bps higher to +6.69%(vs +6.61% in February 2024), 15Y tenor ended +12bps higher to +6.90% (vs +6.78% in February 2024) and 20Y tenor ended +11bps higher to +6.95% (vs +6.84% in February 2024).

The JCI ended the month lower at 7,288.81 (-0.37% MoM). Market laggards were TLKM, BREN, CUAN, MBMA, and BYAN as they fell -13.25%, -11.16%, -30.39%, -19.34%, and -2.56% MoM respectively. Global equities rallied further in March on an improving outlook for the US economy and expectations that the US Federal Reserve will soon begin its long-awaited cuts to benchmark interest rates. Domestically in Indonesia, the JCI ended the month flattish (-0.37% MoM) as market awaits more color from non-banks 4Q23 earnings results and each companies’ FY24 guidance, which was released on the end of March. Sector wise, the Transportation and Logistic Sector was the worst performing sector during the month, declining -6.79% MoM. Ticker wise, HATM (Habco Trans Maritima) and TAXI (Express Transindo Utama) were the laggards, depreciating -35.09% and -32.00% MoM respectively. This was followed by the Technology Sector which dropped -3.44% MoM. Ticker wise, IOTF (Sumber Sinergi Makmur) and MPIX (Mitra Pedagang Indonesia) posted -54.85% and -51.22% MoM losses respectively. On the other hand, the best sector during the month was the Basic Material Sector, which recorded a gain of +2.80% MoM. Ticker wise, NIKL (Pelat Timah Nusantara) and NICE (Adhi Kartiko Pratama) were the movers which rose +93.18% and +61.49% MoM respectively.

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