

# Smartlink Rupiah Equity Fund

March 2024

**BLOOMBERG: AZRPEQF IJ**

## Investment Objective

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

## Investment Strategy: Equity

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	2.00%
Best Month	Jul-09 14.70%
Worst Month	Oct-08 -19.00%

## Portfolio Breakdown

Equity	89.12%
Money Market	10.88%

## Top 10 Holding

(in Alphabetical Order)

- Bank Central Asia
- Bank Mandiri Persero
- Bank Rakyat Indonesia
- Bukalapak.Com
- Impack Pratama Industri Tbk
- Indofood CBP Sukses Makmur
- Indosat
- Merdeka Copper Gold Tbk
- Mitra Adiperkasa
- Telekomunikasi Indonesia

\*there is no investment on related parties

## Industry Sector

Finance	42.18%
Infrastructure	10.80%
Consumer Cyclical	9.69%
Consumer Non-Cyclical	9.27%
Technology	6.99%
Industry	6.36%
Basic Industry	6.35%
Health	4.18%
Energy	2.56%
Property	1.18%
Basic Materials	0.44%

## Key Fund Facts

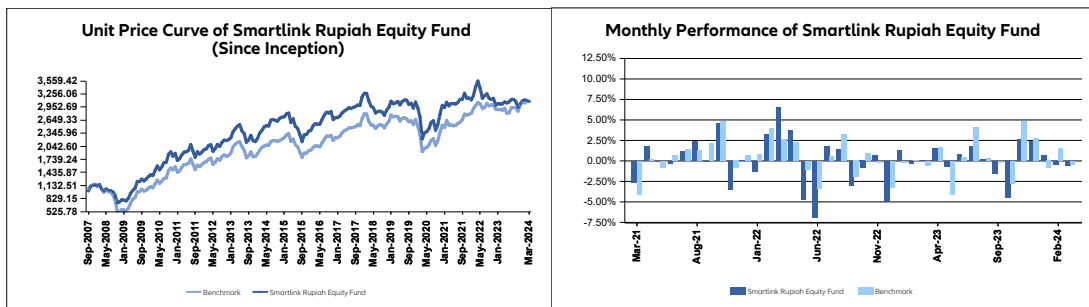
Fund Size (in bn IDR)	IDR 8,045.83
Risk Level	Aggressive
Launch Date	01 Sep 2007
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	2,743,462,433.8667

Price per Unit	Bid	Offer
(As of Mar 28, 2024)	IDR 2,932.73	IDR 3,087.08

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	-0.53%	-0.41%	0.00%	2.00%	3.45%	1.23%	-0.41%	208.71%
Benchmark*	-0.37%	0.22%	5.03%	7.11%	21.77%	12.68%	0.22%	208.68%

\*Jakarta Composite Index (JCI)



## 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.

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.

Portfolio positioning strategy wise, we are tactical and selective. We factor in that 2024 would be a year of two halves with 2H24 being more upbeat with election uncertainties removed, post-election higher government spending is expected to support overall consumer spending and economic activity. Aggregate corporate earnings growth is expected to grow at high single digit compared to mid-single digit growth in 2023. We remain constructive on the new economy sector as well as green energy value chain related sectors in the medium to long term. Our preference on equities that have pricing power, efficient balance sheet and good corporate governance has not changed regardless of conditions.

## About Allianz Indonesia

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