

Smartlink Rupiah Balanced Plus Class B Fund

May 2023

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: 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	Mar-22	-4.11%
Best Month	Mar-22	4.25%
Worst Month	Jun-22	-5.06%

Portfolio Breakdown

Equity	68.07%
Bonds	30.15%
Money Market	1.78%

Top 10 Holding

(in Alphabetical Order)

- Astra International
- Bank Central Asia
- Bank Mandiri Persero
- Bank Rakyat Indonesia
- Bukalapak.Com
- GoTo Gojek Tokopedia Tbk
- Impack Pratama Industri Tbk
- Indofood CBP Sukses Makmur
- Merdeka Battery Materials Tbk
- Telekomunikasi Indonesia

*there is no investment on related parties

Industry Sector

Government	27.71%
Finance	23.21%
Infrastructure	11.67%
Consumer Non-Cyclical	8.96%
Technology	8.71%
Industry	6.36%
Basic Industry	5.68%
Consumer Cyclical	3.32%
Health	2.95%
Property	0.99%
Energy	0.44%

Key Fund Facts

Fund Size (in bn IDR)	IDR 5.19
Risk Level	Moderate - Aggressive
Launch Date	23 Aug 2021
Fund Currency	Indonesia 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	5,034,844.7431

Price per Unit

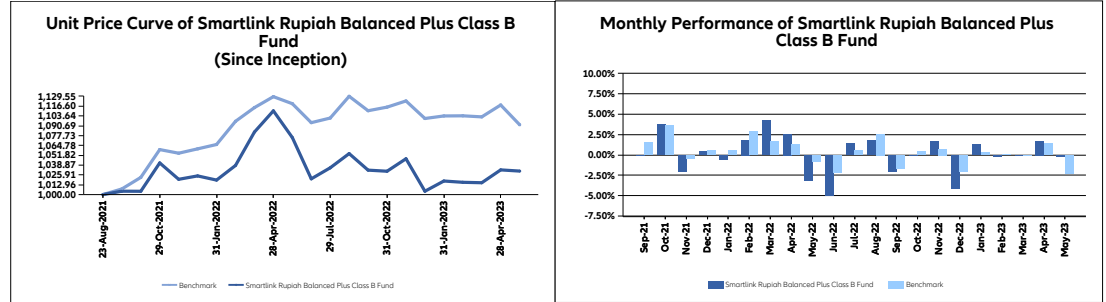
(As of May 31, 2023)	IDR 1,030.98
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Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Balanced Plus Class B Fund	-0.15%	1.46%	-1.55%	-4.11%	N/A	N/A	2.64%	3.10%
Benchmark*	-2.33%	-1.07%	-2.79%	-2.48%	N/A	N/A	-0.75%	9.20%

*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)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced May 2023 inflation at +0.09% mom (vs consensus inflation +0.30%, +0.33% in Apr 2023). On yearly basis, inflation was at +4.00% yoy (vs consensus inflation +4.21%, +4.33% in Apr 2023). Core inflation was printed at +2.66% yoy (vs consensus inflation +2.81%, +2.83% in Apr 2023). The lower inflation mom was contributed by the lower price of transportation group and lower inflation from clothing. The BI Board of Governors agreed on 24-25 May 2023 to hold the BI 7-Day Reverse Repo Rate at 5.75% and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 5.00% and 6.50%, respectively. In total, Bank Indonesia had increased their benchmark rate by 225bps up to Jan 2023. This decision for this policy is as front loaded, pre-emptive and forward-looking movement to lower the expectation inflation and to ensure the core inflation back to their target level at 3±1% on 1H 2023. Bank Indonesia mention BI focus slight change into enhancing IDR value stabilization in order avoid imported inflation and reduce the spread of uncertainty on global financial markets Rupiah depreciated against USD by -2.33% from 14,661 at end of April 2023 to 15,003 at end of May 2023. The depreciation of Rupiah was impacted by uncertainty from debt ceiling talk in US and concern from China's Economic. Indonesia's trade balance recorded surplus amounting to USD +3.940mn in Apr 2023 vs previous month surplus USD +2.830mn in Mar 2023. The higher trade surplus was impacted by the export fell deeper than import. Non-oil and gas trade balance in Apr 2023 recorded surplus USD +5.640mn, which was higher than the previous month that recorded trade surplus amounting to USD +4.510mn in Mar 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,700mn in Apr 2023, which was higher than the deficit in Mar 2023 amounting to USD -1,670mn.

IDR Government bond yields closed lower across all the curves in line with offshore inflow. The bullish sentiments from The Fed removed a hawkish stance in last Meeting which indicated the Fed would pause the further hike of Fed rate. Indonesia's economy continues to show improvement and resilience. 4M23 state budget realization recorded great performance driven by low government spending, while government revenue remains high. Indonesia's fiscal balance recorded a surplus of IDR234.7tn (4M22: IDR102.7tn) or 1.12% (prev: 0.52%) of GDP in 4M23. Indonesia's current account surplus increased to USD 2.97 billion in Q1 of 2023 from USD 0.55 billion in the same period of the previous year, pointing to the seventh straight quarter of growth and accounting for 0.9 percent of the country's GDP. The surplus of goods account climbed to USD 14.72 billion in Q1 of 2023 from USD 11.30 billion in the same period of 2022, supported by a further recovery in global demand. Offshore accounts increased their holding by IDR +6.67tn in May 2023 (+0.81% MoM), from IDR 822.69tn as of 28 Apr 2023 to IDR 829.36 which brought their holding increased to 15.26% of total outstanding tradable government bond (from 14.86% in the previous month). The 5Y yield Apr 2023 ended -25bps lower to +6.03%(vs +6.28% in Apr 2023), 10Y tenor ended -16bps lower to +6.37%(vs +6.53% in Apr 2023), 15Y tenor ended -29bps lower to +6.59% (vs +6.88% in Apr 2023) and 20Y tenor ended -24bps lower to +6.67% (vs +6.91% in Apr 2023).

The JCI ended the month lower at 6,633.26 (-4.08% MoM). Market laggards were BYAN, ADRO, MDKA, TLKM and UNTR as they fell -29.02%, -27.84%, -23.86%, -4.94%, and -23.10% MoM respectively. Global equities performance was mixed in May as Powell's latest dovish stance and expectation of US Debt ceiling deal to be reached before 1 June failed to be propped up equity rally in China and Europe region on the back of weak manufacturing data in both regions. Domestically in Indonesia, the JCI closed the month with negative return driven by correction among commodity names i.e. coal and nickel proxies. Concerns are also arising on Indonesia's capability to maintain fiscal stability at times when its key exporting commodity prices are facing huge correction. Sector wise, the Energy Sector was the worst performing sector during the month, declining -18.39% MoM. Ticker wise, COAL (Black Diamond Resources) and ETWA (Eterindo Wahanatama) were the laggards, depreciating -25.62% and -24.00% MoM respectively. This was followed by the Basic Materials Sector which dropped -16.02% MoM. Ticker wise, BEBS (Berkah Beton Sadaya) and NCKL (Trimegah Bangun Persada) posted -53.61% and -42.35% MoM losses respectively. On the other hand, the best sector during the month was the Consumer Cyclical Sector, which recorded a gain of 5.55% MoM. Ticker wise, RAAM (Tripar Multivision) and ESTA (Esta Mutli Usaha) were the movers which rose +154.27% and +45.24% MoM respectively.

About Allianz Indonesia

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