Smartlink Rupiah Balanced Class B Fund

November 2024

BLOOMBERG: AZRPBLB 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 50%- 75% in money market and fixed income instruments, and 25%-50% in equity instruments.

Return Performance

Last 1-year Period		1.19%
Best Month	Nov-23	2.77%
Worst Month	Apr-24	-2.84%

Portfolio Breakdown

Bonds	65.96%
Equity	29.37%
Money Market	4.67%

Top 10 Holding

(in Alphabetical Order)

Bank Central Asia
FR0068 8.375% 15/03/2034
FR0089 6.875% 15/08/2051
FR0091 6.375% 15/04/2032
FR0092 7.125% 15/06/2042
FR0096 7% 15/02/2033
FR0097 7.125% 15/06/2043
FR0098 7.125% 15/06/2038
FR0100 6.625% 15/02/2034
FR0102 6.875% 15/07/2054

*there is no investment on related parties

Industry Sector

Government	63.08%
Finance	11.99%
Basic Materials	6.05%
Infrastructure	4.18%
Technology	3.86%
Industrials	3.03%
Consumer Non-Cyclical	2.20%
Consumer Cyclical	2.10%
Energy	2.10%
Health	0.85%
Property	0.57%

Key Fund Facts

Fund Size (in bn IDR)	IDR 28.96
Risk Level	Moderate
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	27,507,911.7607

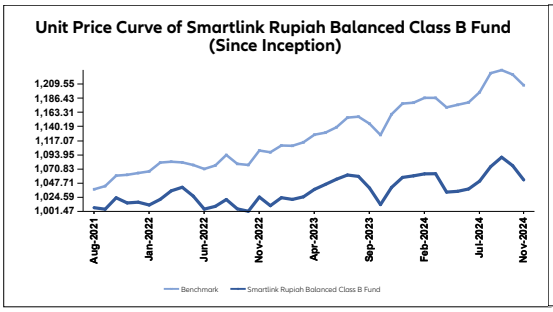
Price per Unit	
(As of Nov 29, 2024)	IDR 1,052.86

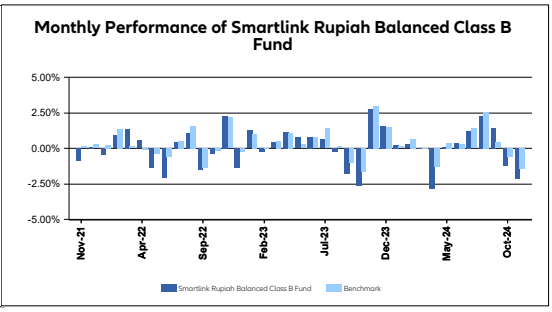
Managed by: PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Balanced Class B Fund	-2.17%	-2.01%	1.82%	1.19%	3.72%	N/A	-0.38%	5.29%
Benchmark*	-1.43%	-1.61%	2.73%	4.10%	13.83%	N/A	2.55%	20.79%

*25% Jakarta Composite Index (JCI) & 75% IBPA Indonesia IDR Government Bond Index (IBPRXGTR Index)

(Benchmark assessment; before Feb 2022: 25% Jakarta Composite Index (JCI), 50% IBPA Indonesia Government Bond Total Return Index (IBPRTRI) & 25% average time deposit (3 months) from Mandiri, BNI, BTN, Danamon, and CIMB Niaga)





Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced November 2024 inflation at +0.30% MoM (vs consensus inflation 0.23%, +0.08% in October 2024). On yearly basis, inflation was at +1.55% YoY (vs consensus inflation +1.50%, +1.71% in October 2024). Core inflation was printed at +2.26% YoY (vs consensus inflation +2.20%, +2.21% in October 2024). The monthly inflation was contributed by the higher price of transportation group and food ingredients group. The BI Board of Governors agreed in their meeting on 19-20 November 2024 to to hold the BI-Rate at 6.00%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) rate at 5.25% and 6.75%, respectively. The decision is consistent with the direction of monetary policy to control inflation in 2024 and 2025 within the 2.5 ±1% target corridor, while supporting sustainable economic growth. The focus of monetary policy is on Rupiah stability in response to increasing geopolitical and global economic uncertainty given the political developments underway in the United States (US). Moving forward, Bank Indonesia will remain vigilant of Rupiah exchange rate movements and the inflation outlook as well as data developments and emerging dynamic conditions when considering further room for monetary easing. Rupiah was weakening against USD by -0.96% from 15,705 at the end of October 2024 to 15,856 at the end of November 2024. The weakening of the Rupiah was impacted by the expectation that the Federal Reserve would adopt a dovish monetary stance, which limits the possibility for significant policy rate cuts. Additionally, developments in U.S. politics, particularly Trump's victory in the U.S. election, contributed to this trend. Indonesia's trade balance recorded a surplus amounting to USD +2,475mn in October 2024 vs the previous month's surplus of USD +3,230mn in September 2024. The lower trade surplus was impacted by reaccelerate of import growth in October 2024. Non-oil and gas trade balance in October 2024 recorded a surplus of USD +4,795mn, which was higher than the previous month recorded a trade surplus amounting to USD +4,608mn in September 2024. Meanwhile, the oil and gas trade balance still recorded a deficit of USD -2,320mn in October 2024, which was higher than the deficit in September 2024, amounting to USD -1,377mn. Indonesia recorded an account deficit of USD -2.15 billion in Q3 of 2024, up from a Current Account Deficit of USD -1.16 billion in the same period the previous year. This deficit accounts for -0.60 percent of the country's GDP. The deficit was driven by a higher service balance deficit, which was USD -4.15bn in Q3 of 2024 from USD -3.98bn in Q3 of 2023. Indonesia's official reserve assets position amassed USD 150.2 billion as of the end of November 2024, decreased from USD 151.2 billion as of October 2024. The decrease was impacted by government's external debt payments.

IDR Government bond yields were mostly higher across all the curves in line with IDR Depreciation and offshore outflow. Bearish sentiment in the market is driven by victory of Donald Trump in US Election. It makes global financial markets were gripped by heightened risk-off sentiment. Investor concerns arise from Trump's protectionist stance on international trade, including his threats to impose higher import tariffs. Such measures could jeopardize disinflation progress in the US and dampen global trade volumes. As a result, the likelihood of the Federal Reserve implementing aggressive rate cuts diminishes. Higher geopolitical tension add the risk-off tone as well. Consequently, investors have shifted to a risk-off approach, reallocating their assets into US Dollar-denominated assets. Indonesia's fiscal balance still show stability and resilience. 10M24 state budget realization recorded good performance with manageable government spending, while government revenue still remains high. Indonesia's fiscal balance recorded a deficit of IDR -309.24tn (10M23: IDR -0.24tn) or -1.37% (prev: -0.00% 10M23) of GDP in 10M24. Offshore accounts decreased their holding by IDR -13.07tn in October 2024 (-1.48% MoM), from IDR 885.57tn as of 31 October 2024 to IDR 872.50tn which brought their holding decreased to 14.53% of total outstanding tradable government bond (from 14.89% in the previous month). The 5Y yield November 2024 ended +8bps higher to +6.76%(vs +6.68% in October 2024), 10Y tenor ended +8bps higher to +6.87%(vs +6.79% in October 2024), 15Y tenor ended -1bps lower to +6.99% (vs +7.00% in October 2024) and 20Y tenor ended flat to +7.06% (vs +7.06% in October 2024).

The JCI ended the month lower at 7,114.27 (-6.07% MoM). Market laggards were BBRI, TPIA, BMRI, DSSA, and AMRT as they fell -11.46%, -20.57%, -8.21%, -18.55%, and -14.16% MoM respectively. Global equities performance was mixed in November with developed market posted strong positive returns while the emerging market posted negative returns due to a combination of Trump winning the US election combined with "red-sweep" victory whereby the Republican Party also taking control of the US government. This caused market expectations of a stronger dollar currency ahead as one of Trump's main agenda is to impose higher tariffs to other countries, with China in particular. Domestically in Indonesia, the JCI fell in November (-6.07% MoM), driven by sell-offs within the big caps, banks in particular, as foreign initiated risk-off mode positioning post the US election. Sector wise, the Basic Material Sector was the worst performing sector during the month, declining -8.64% MoM. Ticker wise, MDKA (Merdeka Copper Gold) and TPIA (Chandra Asri Petrochemical) were the laggards, depreciating -23.97% and -20.57% MoM respectively. This was followed by the Properties and Real Estate Sector which dropped -8.48% MoM. Ticker wise, ASRI (Alam Sutera) and LPCK (Lippo Cikarang) posted -25.00% and -21.94% MoM losses respectively. On the other hand, the best sector during the month was the Technology Sector, which recorded a gain of +2.58% MoM. Ticker wise, MLPT (Multipolar Technology) and GOTO (Goto Gojek Tokopedia) were the movers which rose +28.96% and +4.41% MoM respectively.

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