Smartlink Rupiah Balanced Class B Fund

October 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		6.30%
Best Month	Nov-23	2.77%
Worst Month	Apr-24	-2.84%

Portfolio Breakdown

Bonds	64.47%
Equity	32.22%
Money Market	3.31%

Top 10 Holding

(in Alphabetical Order)

Bank Central Asia
Bank Mandiri Persero
FR0068 8.375% 15/03/2034
FR0089 6.875% 15/08/2051
FR0091 6.375% 15/04/2032
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	61.67%
Finance	11.70%
Basic Materials	5.43%
Infrastructure	4.54%
Technology	4.22%
Energy	3.29%
Industrials	2.85%
Consumer Non-Cyclical	2.51%
Consumer Cyclical	1.98%
Health	1.12%
Property	0.70%

Key Fund Facts

Fund Size (in bn IDR)	IDR 26.01
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	24,169,213.7802

Price per Unit	
(As of Oct 31, 2024)	IDR 1,076.16

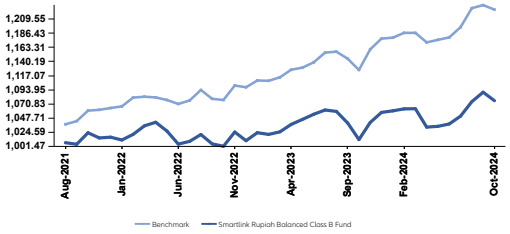
Managed by: PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Balanced Class B Fund	-1.27%	2.41%	4.20%	6.30%	5.14%	N/A	1.82%	7.62%
Benchmark*	-0.59%	2.42%	4.59%	8.79%	15.63%	N/A	4.04%	22.54%

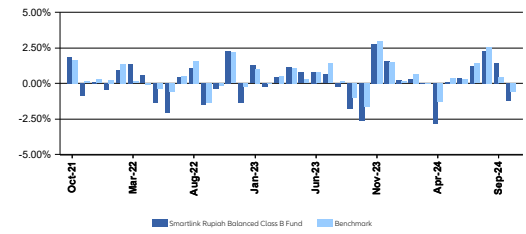
*25% Jakarta Composite Index (JCI) & 75% IBPA Indonesia IDR Government Bond Index (IBPRXGTR Index)

(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)

Unit Price Curve of Smartlink Rupiah Balanced Class B Fund (Since Inception)



Monthly Performance of Smartlink Rupiah Balanced Class B Fund



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced October 2024 inflation at +0.08% MoM (vs consensus inflation 0.00%, -0.12% in September 2024). On yearly basis, inflation was at +1.71% YoY (vs consensus inflation +1.70%, +1.84% in September 2024). Core inflation was printed at +2.21% YoY (vs consensus inflation +2.10%, +2.09% in September 2024). The monthly inflation was contributed by the higher price of personal care group and F&B provision service group. The BI Board of Governors agreed in their meeting on 15-16 October 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 in the near term is on Rupiah stability in response to increasing global financial market uncertainty. Rupiah was weakening against USD by +3.70% from 15,144 at the end of September 2024 to 15,705 at the end of October 2024. The weakening of the Rupiah was impacted by higher of geopolitical tension in Middle East and a shift in expectations toward a less accommodative stance by the Fed. Indonesia's trade balance recorded a surplus amounting to USD +3,257mn in September 2024 vs the previous month's surplus of USD +2,900mn in August 2024. The higher trade surplus was impacted by decelerate of import growth in September 2024. Non-oil and gas trade balance in September 2024 recorded a surplus of USD +4,616mn, which was higher than the previous month recorded a trade surplus amounting to USD +4,345mn in August 2024. Meanwhile, the oil and gas trade balance still recorded a deficit of USD -1,359mn in September 2024, which was lower than the deficit in August 2024, amounting to USD -1,445mn. Indonesia's economy grew by +4.95% YoY in 3Q 2024 (vs. previous 5.05%, consensus +5.00%) and +1.50% QoQ (vs previous +3.79%, consensus +1.60%). In terms of expenditure, the main contributor to the growth was the growth of Investment, which grew by +5.15% YoY, with the growth supported by infrastructure projects undertaken by both the government and private sector. The consumption grew moderately, +4.91% YoY, primarily due to seasonal factors. On the other hand, government expenditure and non-profit consumption show higher growth, which grew by +4.62% YoY and +11.69% YoY, supported by heightened activities in preparation for the local election at the end of the year. Indonesia's official reserve assets position amassed USD 151.2 billion as of the end of October 2024, increase from USD 149.9 billion as of September 2024. The increase was impacted by tax and service receipts as well as government's foreign loan withdrawal.

IDR Government bond yields were higher across all the curves in line with IDR Depreciation. Bearish sentiments in the market are driven by increasing geopolitical tensions in the Middle East, highlighted by a missile exchange between Israel and Iran. Additionally, concerns arise from the United States, where the Federal Reserve has indicated a slower pace for policy rate cuts. This was underscored by the release of the Meeting Minutes, which revealed that many Fed officials are taking a neutral stance on policy cuts. Additionally, various US economic data have outperformed market expectations, prompting the Fed to slow its pace of policy rate cuts. As a result, many investors are adopting a "wait and see" or risk-off approach. Indonesia's fiscal balance still show stability and resilience. 8M24 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 -153.72tn (8M23: IDR +147.45tn) or -0.68% (prev: +0.71% 8M23) of GDP in 8M24. Offshore accounts increased their holding by IDR +14.98tn in October 2024 (+1.72% MoM), from IDR 870.58tn as of 30 September 2024 to IDR 885.57tn which brought their holding increased to 14.89% of total outstanding tradable government bond (from 14.70% in the previous month). The 5Y yield October 2024 ended +50bps higher to +6.68%(vs +6.18% in September 2024), 10Y tenor ended +34bps higher to +6.79%(vs +6.45% in September 2024), 15Y tenor ended +34bps higher to +7.00% (vs +6.66% in September 2024) and 20Y tenor ended +25bps higher to +7.06% (vs +6.81% in September 2024).

The JCI ended the month higher at 7,574.02 (+0.61% MoM). Market movers were BRMS, PANI, DSSA, BYAN, and TPIA as they rose +60.00%, +39.70%, +10.67%, +5.52%, and +3.24% MoM respectively. Global equities performance was negative in October due to a combination of 1) uncertainty from the upcoming US election, 2) the rising possibility of a 'higher for longer' view on the US interest rate, which had a negative impact towards the EM currencies, 3) rising geopolitical tension in the Middle East (Israel-Iran-Lebanon). Overall, higher volatility triggered investors to be more cautious and prefer to sit on the sideline with cash as the rising uncertainty over global interest rates might continue to affect equities negatively. Domestically in Indonesia, the JCI rose in October (+0.61% MoM), driven by the outlier names. That said, foreign investors booked net outflows of USD 718mn in Oct-24 due to uncertainty from the upcoming US election, lacking domestic catalysts, and the strengthening of USD over EM currencies. Sector wise, the Property and Real Estate Sector was the best-performing sector during the month, gaining +5.45% MoM. Ticker-wise, PANI (Pantai Indah Kapuk Dua) and LPKR (Lippo Karawaci) were the movers, appreciating +39.70% and +21.78% MoM respectively. This was followed by the Technology Sector which rallied +4.31% MoM. Ticker-wise, MLPT (Multipolar Technology) and EMTK (Elang Mahkota Teknologi) posted +145.42% and +23.19% MoM gains respectively. On the other hand, the worst sector during the month was the Infrastructure Sector, which recorded a decrease of -2.46% MoM. Ticker-wise, LINK (Link Net) and ISAT (Indosat) were the laggards which fell -26.06% and -8.68% MoM respectively.

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