Smartlink Rupiah Balanced Class B Fund

September 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		4.85%
Best Month	Nov-23	2.77%
Worst Month	Apr-24	-2.84%

Portfolio Breakdown

Bonds	72.51%
Equity	26.80%
Money Market	0.69%

Top 10 Holding

(in Alphabetical Order)

FR0068 8.375% 15/03/2034
FR0087 6.5% 15/02/2031
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	69.44%
Finance	8.17%
Infrastructure	4.38%
Basic Materials	4.22%
Technology	3.05%
Energy	2.66%
Industrials	2.49%
Consumer Non-Cyclical	2.45%
Consumer Cyclical	1.72%
Health	1.14%
Property	0.27%

Key Fund Facts

Fund Size (in bn IDR)	IDR 25.06
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	22,992,996.8849

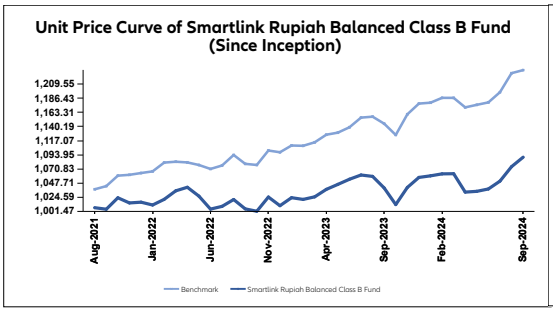
Price per Unit	
(As of Sep 30, 2024)	IDR 1,089.97

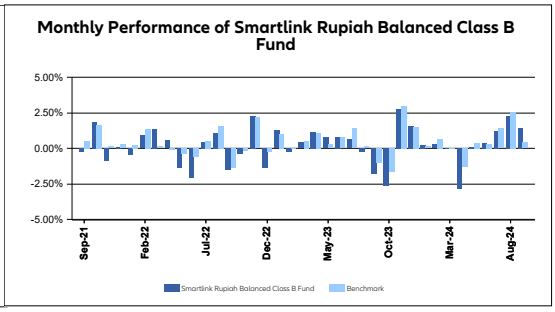
Managed by: PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Balanced Class B Fund	1.44%	5.01%	2.54%	4.85%	8.48%	N/A	3.13%	9.00%
Benchmark*	0.41%	4.48%	3.83%	7.66%	18.22%	N/A	4.66%	23.27%

*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 September 2024 deflation at -0.12% MoM (vs consensus inflation -0.03%, -0.03% in August 2024). On yearly basis, inflation was at +1.84% YoY (vs consensus inflation +2.00%, +2.12% in August 2024). Core inflation was printed at +2.09% YoY (vs consensus inflation +2.03%, +2.02% in August 2024). The monthly deflation was contributed by the lower price of food group and energy group. The BI Board of Governors agreed in their meeting on 17-18 September 2024 to lower the BI-Rate by 25bps to 6.00%, while also lowering the Deposit Facility (DF) rate and Lending Facility (LF) rate by 25bps to 5.25% and 6.75% respectively. The decision is consistent with low and stable inflation projected in 2024 and 2025 within the 2.5±1% target corridor, Rupiah stability and appreciation, as well as the need for efforts to strengthen economic growth. Rupiah was strengthening against USD by +2.13% from 15,473 at the end of August 2024 to 15,144 at the end of September 2024. The strengthening of the Rupiah was impacted by following unexpected moves from both the Fed and Bank Indonesia. Bank Indonesia reduced its benchmark rate by 25bps to 6.00%, while the Fed cut the FFR by 50bps to 5.00%. Indonesia's trade balance recorded a surplus amounting to USD +2,890mn in August 2024 vs the previous month's surplus of USD +500mn in July 2024. The higher trade surplus was impacted by reacceleration of export growth in August 2024. Non-oil and gas trade balance in August 2024 recorded a surplus of USD +4,341mn, which was higher than the previous month recorded a trade surplus amounting to USD +2,635mn in August 2024. Meanwhile, the oil and gas trade balance still recorded a deficit of USD -1,446mn in August 2024, which was lower than the deficit in July 2024, amounting to USD -2,135mn. Indonesia's official reserve assets position amassed USD 149.9 billion as of the end of September 2024, decreased from USD 150.2 billion as of August 2024. The decrease was impacted by government's external debt payments.

IDR Government bond yields were lower across all the curves in line with IDR Appreciation and offshore inflow. The bullish sentiments came from the global impact of the expected move from The Fed and Bank Indonesia. Bank Indonesia reduced its benchmark rate by 25bps to 6.00%. In comparison, the Fed cut the FFR by 50bps to 5.00%. Several macro US data show soft US economic data, making investors believe the Fed still has to room for another cut at the next meeting. Amid the potential for further policy rate reductions, bond assets became more attractive, fueling demand for bonds. 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 +18.27tn in September 2024 (+2.14% MoM), from IDR 852.31tn as of 30 August 2024 to IDR 870.58tn which brought their holding increased to 14.70% of total outstanding tradable government bond (from 14.49% in the previous month). The 5Y yield September 2024 ended -35bps lower to +6.18% (vs +6.53% in August 2024), 10Y tenor ended -17bps lower at +6.46% (vs +6.63% in August 2024), 15Y tenor ended -7bps lower to +6.64% (vs +6.71% in August 2024) and 20Y tenor ended -3bps lower to +6.78% (vs +6.81% in August 2024).

The JCI ended the month lower at 7,527.93 (-1.86% MoM). Market laggards were BREN, TPIA, AMMN, BBRI and BMRI as they fell -38.60%, -15.04%, 12.91%, -3.88%, and -2.81% MoM respectively. Global equities performance was positive in September due to a combination of 1) beginning of the much-anticipated US rate cut cycle, which was followed by rate cut by other central banks 2) Weaker than expected US labor market data leading to market expectation on more FED cut ahead 3) China's surprised stimulus, that is expected to revive economic growth momentum. Domestically in Indonesia, the JCI corrected in September (-1.86% MoM) as we saw big foreign outflow reversal from EM countries back to China in anticipation of strong rebound in China's economic growth following the recently announced stimulus plan. Sector wise, the Infrastructure Sector was the worst performing sector during the month, declining -5.23% MoM. Ticker wise, KARW (Ictsi Jasa Prima) and BREN (Barito Renewable Energy) were the laggards, depreciating -72.49% and -38.60% MoM respectively. This was followed by the Consumer Cyclical Sector which dropped -3.95% MoM. Ticker wise, FILM (MD Entertainment) and KPIG (MNC Land) posted -36.01% and -26.15% MoM losses respectively. On the other hand, the best sector during the month was the Technology Sector, which recorded a gain of +17.57% MoM. Ticker wise, MLPT (Multipolar Technology) and GOTO (Goto Gojek Tokopedia) were the movers which rose +284.97% and +26.93% MoM respectively.

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