

# Smartlink Rupiah Equity Class B Fund

April 2024

**BLOOMBERG: AZRPEQB JJ**

**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 | Mar-22 | -4.40% |
| Best Month         | Mar-22 | 6.46%  |
| Worst Month        | Jun-22 | -6.89% |

**Portfolio Breakdown**

|              |        |
|--------------|--------|
| Equity       | 86.53% |
| Money Market | 13.47% |

**Top 10 Holding**

(in Alphabetical Order)

- Ace Hardware Indonesia
  - Bank Central Asia
  - Bank Mandiri Persero
  - Bank Rakyat Indonesia
  - Bukalapak.Com
  - Impack Pratama Industri Tbk
  - Indofood CBP Sukses Makmur
  - Indosat
  - Merdeka Battery Materials Tbk
  - Telekomunikasi Indonesia
- \*there is no investment on related parties

**Industry Sector**

|                       |        |
|-----------------------|--------|
| Finance               | 41.91% |
| Infrastructure        | 11.31% |
| Consumer Non-Cyclical | 9.43%  |
| Consumer Cyclical     | 9.24%  |
| Technology            | 6.33%  |
| Industry              | 5.64%  |
| Basic Industry        | 5.47%  |
| Health                | 4.22%  |
| Energy                | 2.71%  |
| Basic Materials       | 2.44%  |
| Property              | 1.31%  |

**Key Fund Facts**

|                           |                     |
|---------------------------|---------------------|
| Fund Size (in bn IDR)     | IDR 117.31          |
| Risk Level                | 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                | 124,893,807.0470    |

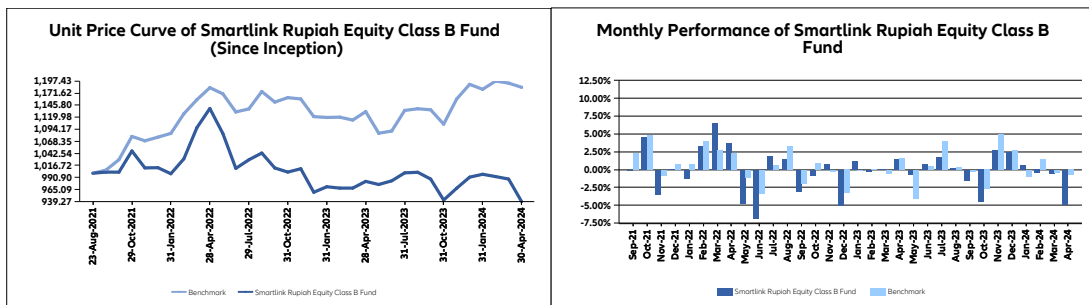
**Price per Unit**

|                      |            |
|----------------------|------------|
| (As of Apr 30, 2024) | IDR 939.27 |
|----------------------|------------|

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 Class B Fund | -4.88%  | -5.86%   | -0.35%   | -4.40% | N/A     | N/A     | -5.27% | -6.07%          |
| Benchmark*                           | -0.75%  | 0.36%    | 7.14%    | 4.61%  | N/A     | N/A     | -0.53% | 18.40%          |

\*Jakarta Composite Index (JCI)



**Manager Commentary**

Central Bureau Statistics of Indonesia (BPS) announced April 2024 inflation at +0.25% MoM (vs consensus inflation +0.3%, +0.52% in March 2024). On yearly basis, inflation was at +3.00% YoY (vs consensus inflation +3.1%, +3.05% in March 2024). Core inflation was printed at +1.82% YoY (vs consensus inflation +1.78%, +1.77% in March 2024). The lower inflation MoM was contributed by the lower price of food group and information and communication group. The BI Board of Governors agreed in their meeting on 23-24 April 2024 to raise the BI-Rate by 25bps to 6.25%, while also increasing the Deposit Facility (DF) rate and Lending Facility (LF) rate by 25bps to 5.50% and 7.00% respectively. The decision to raise the BI Rate is to strengthens Rupiah stability against the impact of deteriorating global risk and as a pre-emptive and forward-looking measure to maintain inflation within the 2.5%±1% target corridor in 2024 and 2025 in line with the pro-stability monetary policy stance. Rupiah weakening against USD by -2.54% from the end of March 2024 to 16,276 at the end of April 2024. The weakening of the Rupiah was impacted by the release of U.S. inflation and the Fed interest rate trend, as well as higher tension of geopolitical tension in the Middle East. Indonesia's trade balance recorded a surplus amounting to USD +4,473mn in March 2024 vs the previous month's surplus of USD +834mn in February 2024. The higher trade surplus was impacted by imports show slowing down in February 2024. Non-oil and gas trade balance in March 2024 recorded a surplus of USD +6,514mn, which was higher than the previous month recorded a trade surplus amounting to USD +2,596mn in February 2024. Meanwhile, the oil and gas trade balance still recorded a deficit of USD -2,041mn in March 2024, which was higher than the deficit in February 2024, amounting to USD -1,763mn. Indonesia's economy grew by +5.11% yoy in 1Q 2024 (vs. previous 5.04%, consensus +5.08%) and -0.83% QoQ (vs previous 0.45%, consensus -0.86%). In terms of expenditure side, the main contributor to the growth was reaccelerating Government spending and growth of Non-profit Institution Consumption, which grew by +19.90% yoy and +24.29% yoy, with the highest growth coming from the rebound was driven by accelerating expenditures from the government at the early of 2024 which were heavily related to higher expenditures for the 2024 general election, official travels, and social assistance. The consumption and investment side grew moderately, growing only +4.91% yoy and +3.79% yoy. Indonesia's official reserve assets position amassed USD 136.2 billion as of the end of April 2024, decrease from USD 140.4 billion as of March 2024. The decrease was impacted by several factors, including the government's external debt payments and the need for Rupiah stabilisation in line with increasing global financial market uncertainty.

The JCI ended the month lower at 7,234.20 (-0.75% MoM). Market laggards were BBRI, TLKM, BMRI, BBNi and BBCA as they fell -18.35%, -8.65%, -4.83%, -11.02%, and -2.73% MoM respectively. Global equities posted negative returns in April due to combination of higher-than-expected US March CPI print, lower than expected 1Q24 US GDP as well as recent war escalation between Israel and Iran sent oil prices above USD 90/barrel level. Domestically in Indonesia, the JCI also posted negative returns in April (-0.75% MoM) as both external factors as well as internal factors such as the IDR depreciation against USD and weak 1Q24 banks earnings prompted foreign investors to take money off Indonesia equities. Sector wise, the Transportation and Logistic Sector was the worst performing sector during the month, declining -9.48% MoM. Ticker wise, TAXI (Express Transindo) and PURA (Putra Rajawali Kencana) were the laggards, depreciating -73.53% and -67.65% MoM respectively. This was followed by the Consumer Cyclical Sector which dropped -6.81% MoM. Ticker wise, ZATA (Bersama Zatta Jaya) and VIVA (Visi Media Asia) posted -73.53% and -73.53% MoM losses respectively. On the other hand, the best sector during the month was the Energy Sector, which recorded a gain of +5.01% MoM. Ticker wise, ATLA (Atlantis Subsea) and SUNI (Sunindo Pratama) were the movers which rose +182.00% and +62.86% MoM respectively.

Portfolio positioning strategy wise, we are underweight and selective. Geopolitical tensions have escalated, particularly in the Middle East causing oil prices to rise and persistent high inflation figures. This situation has an impact on the potential for high interest rates for longer and strengthening of the US dollar against emerging market currencies including Rupiah. We factor in that 2H24 being more upbeat with post-election higher government spending is expected to support overall domestic consumer spending and economic activity. Aggregate corporate earnings growth is expected to grow higher compared to the 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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