

# Smartlink Rupiah Balanced Fund

June 2024

**BLOOMBERG: AZRPBLF 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	Oct-07	-1.51%
Best Month	Oct-07	12.71%
Worst Month	Oct-08	-17.27%

## Portfolio Breakdown

Bonds	72.22%
Equity	26.92%
Money Market	0.86%

## 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	69.19%
Finance	9.53%
Infrastructure	5.93%
Basic Industry	2.87%
Consumer Non-Cyclical	2.87%
Industry	2.25%
Consumer Cyclical	2.00%
Technology	1.76%
Health	1.41%
Energy	1.08%
Basic Materials	0.76%
Property	0.36%

## Key Fund Facts

Fund Size (in bn IDR)	IDR 1,575.45
Risk Level	Moderate
Launch Date	08 Mar 2004
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	384,933,505.6424

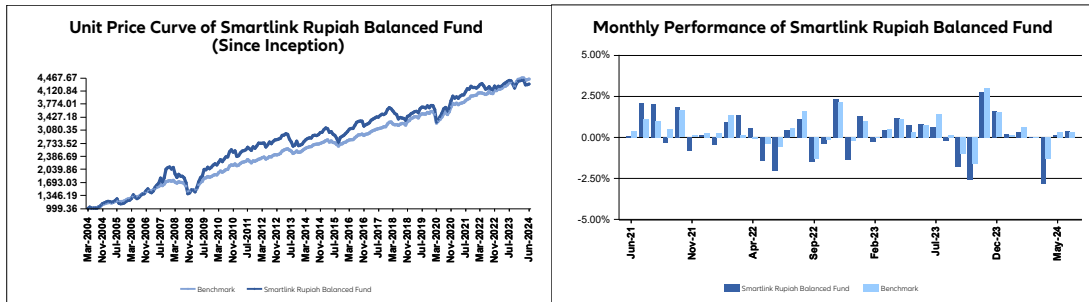
Price per Unit	Bid	Offer
(As of Jun 28, 2024)	IDR 4,092.77	IDR 4,308.18

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 Fund	0.37%	-2.35%	-1.79%	-1.51%	7.17%	17.80%	-1.79%	330.82%
Benchmark*	0.34%	-0.62%	0.17%	3.58%	16.19%	27.21%	0.17%	343.97%

\*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; before Sep 2018: 30% Jakarta Composite Index (JCI) & 70% average time deposit (3 months) from Mandiri, BNI, BTN, Danamon, and CIMB Niaga)



## Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced June 2024 inflation at -0.08% MoM (vs consensus inflation +0.06%, -0.03% in May 2024). On yearly basis, inflation was at +2.51% YoY (vs consensus inflation +2.70%, +2.84% in May 2024). Core inflation was printed at +1.90% YoY (vs consensus inflation +1.94%, +1.93% in May 2024). The monthly deflation was contributed by the lower price of food group. The BI Board of Governors agreed in their meeting on 19-20 June 2024 to hold the BI-Rate at 6.25%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) at 5.50% and 7.00% respectively. This decision is consistent with the pro-stability focus of monetary policy, namely as a pre-emptive and forward-looking measure to maintain inflation within the 2.5%±1% target corridor in 2024 and 2025, which includes effectively sustaining foreign capital inflows and safeguarding Rupiah stability. Rupiah was weakening against USD by -0.88% from 16,251 at the end of May 2024 to 16,394 at the end of June 2024. The weakening of the Rupiah was impacted by the Fed's hawkish stance in the last FOMC Meeting which the Fed is expected to have a one-time cut rate this year. Indonesia's trade balance recorded a surplus amounting to USD +2,927mn in May 2024 vs the previous month's surplus of USD +2,720mn in April 2024. The higher trade surplus was impacted by the positive growth in exports goods, while imports showed negative growth in May 2024. Non-oil and gas trade balance in May 2024 recorded a surplus of USD +4,258mn, which was lower than the previous month recorded a trade surplus amounting to USD +4,354mn in April 2024. Meanwhile, the oil and gas trade balance still recorded a deficit of USD -1,329mn in May 2024, which was lower than the deficit in April 2024, amounting to USD -1,634mn. Indonesia's official reserve assets position amassed USD 140.2 billion as of the end of June 2024, increased from USD 139.0 billion as of May 2024. The increase was impacted by several factors, including tax and services receipts as well as government foreign loan withdrawals.

IDR Government bond yields were higher across all the curves in line with IDR depreciation. The bearish sentiments came from the global impact of the June FOMC Meeting, which stated the expectation for interest rate cut will be only one for this year. From domestic side, most of Investors are still concerned about the uncertainty of fiscal deficit and debt-to-GDP ratio for the next government, which can be widened. Although sentiment improved following reassurances for 2025 fiscal deficit from the Minister of Finance that will not pass 3% level. Indonesia's fiscal balance still show stability and resilience. 5M24 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 -21.76tn (5M23: IDR +204.14tn) or -0.10% (prev: +0.97% 5M23) of GDP in 5M24. Offshore accounts increased their holding by IDR +1.13tn in June 2024 (+0.14% MoM), from IDR 806.97tn as of 31 May 2024 to IDR 808.10tn which brought their holding similar to 13.93% of total outstanding tradable government bond (from 14.05% in the previous month). The 5Y yield June 2024 ended +8bps higher to +6.97%(vs +6.89% in May 2024), 10Y tenor ended +15bps higher at +7.07%(vs +6.92% in May 2024), 15Y tenor ended +11bps higher to +7.07% (vs +6.96% in May 2024) and 20Y tenor ended +12bps lower to +7.11% (vs +6.99% in May 2024).

The JCI ended the month higher at 7,063.58 (+1.33% MoM). Market movers were BREN, BBKA, BBRI, TLKM, and BMRI as they rose +22.53%, +7.30%, +5.99%, +7.93%, and +4.24% MoM respectively. Global equities rallied further in June due to combination of weakening labor market in the US as well as June US inflation report that came below than consensus estimates indicating a good progress towards disinflation. All these factors drove market optimism that the market will see a Fed rate cut in 2H24. Domestically in Indonesia, the JCI also rebounded in June (+1.33% MoM) driven by more stable macro environment both externally as well as internally. Sector wise, the Healthcare Sector was the best-performing sector during the month, gaining +4.69% MoM. Ticker-wise, SRAJ (Sejahteraya Anugerahjaya) and SILO (Siloam International Hospital) were the movers, appreciating +20.53% and +11.57% MoM respectively. This was followed by the Infrastructure Sector which rallied +3.01% MoM. Ticker-wise, IBST (Inti Bangun Sejahtera) and BREN (Barito Renewables Energy) posted +38.13% and +22.49% MoM gains respectively. On the other hand, the worst sector during the month was the Technology Sector, which recorded a decline of -6.54% MoM. Ticker-wise, IRSX (Aviana Sinar Abadi) and GOTO (Goto Gojek Tokopedia) were the laggards which fell -77.78% and -23.08% MoM respectively.

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