

Smartlink Rupiah Balanced Fund

May 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		-1.09%
Best Month	Oct-07	12.71%
Worst Month	Oct-08	-17.27%

Portfolio Breakdown

Bonds	72.90%
Equity	26.11%
Money Market	0.99%

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	69.90%
Finance	8.78%
Infrastructure	5.75%
Basic Industry	3.19%
Consumer Non-Cyclical	3.01%
Industry	2.20%
Consumer Cyclical	1.96%
Technology	1.57%
Health	1.46%
Basic Materials	0.95%
Energy	0.88%
Property	0.35%

Key Fund Facts

Fund Size (in bn IDR)	IDR 1,579.78
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	387,438,876.2518

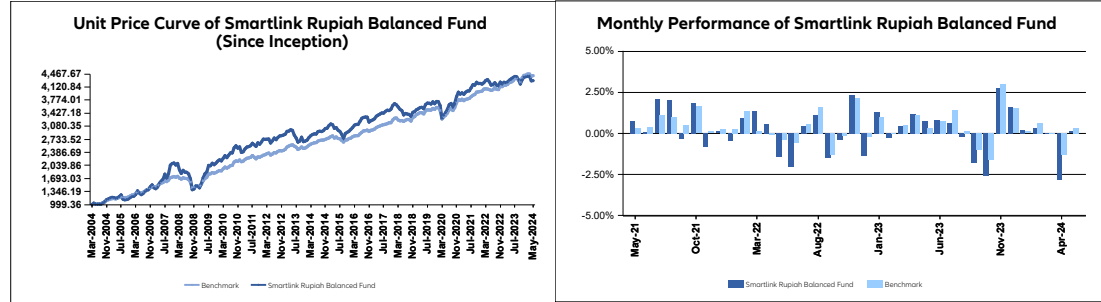
Price per Unit	Bid	Offer
(As of May 31, 2024)	IDR 4,077.51	IDR 4,292.12

Managed by	PT. Asuransi Allianz Life Indonesia
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	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Balanced Fund	0.12%	-2.69%	-0.61%	-1.09%	6.86%	21.06%	-2.16%	329.21%
Benchmark*	0.36%	-0.96%	1.34%	4.03%	16.26%	29.81%	-0.17%	342.46%

*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 May 2024 inflation at -0.03% MoM (vs consensus inflation +0.07%, +0.25% in April 2024). On yearly basis, inflation was at +2.84% YoY (vs consensus inflation +2.97%, +3.00% in April 2024). Core inflation was printed at +1.93% YoY (vs consensus inflation +1.82%, +1.82% in April 2024). The deflation MoM was contributed by the lower price of food group and transportation group. The BI Board of Governors agreed in their meeting on 21-22 May 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 strengthening against USD by +0.15% from 16,276 at the end of April 2024 to 16,251 at the end of May 2024. The strengthening of the Rupiah was impacted by the Fed will still be in the "Higher for Longer" Stance, but they confirmed that the rate has already peaked and would not be hiked this year. Indonesia's trade balance recorded a surplus amounting to USD +3,559mn in April 2024 vs the previous month's surplus of USD +4,578mn in March 2024. The lower trade surplus was impacted by export show slowing down in April 2024. Non-oil and gas trade balance in April 2024 recorded a surplus of USD +5,169mn, which was lower than the previous month recorded a trade surplus amounting to USD +6,514mn in March 2024. Meanwhile, the oil and gas trade balance still recorded a deficit of USD -1,610mn in April 2024, which was lower than the deficit in March 2024, amounting to USD -2,041mn. Indonesia recorded current account deficit of USD -2.16 billion in Q1 of 2024 from Current Account Surplus USD 2.78 billion in the same period of the previous year, accounting for -0.64 percent of the country's GDP. The deficit driven by goods balance surplus thinner at USD 9.80bn in Q1 of 2024 from USD 14.70bn in Q1 of 2023. Indonesia's official reserve assets position amassed USD 139.0 billion as of the end of May 2024, increased from USD 136.2 billion as of April 2024. The increase was impacted by several factors, including tax and services receipts as well as government bonds issuance.

IDR Government bond yields were lower across all the curves in line with Offshore inflow and IDR Appreciation. The bullish sentiments came from the global impact of the May FOMC Meeting, which stated that the Fed rate had already peaked, and they confirmed there are no hike rates this year. Also, U.S. macroeconomic data show that the economy is starting to cool down, based on CPI inflation, which shows easing, and retail growth, which shows stagnant growth, boosting optimism about policy rate cuts in 2024. Indonesia's fiscal balance continues to show improvement and resilience. 4M24 state budget realization recorded great performance driven by low government spending, while government revenue remains high. Indonesia's fiscal balance recorded a surplus of IDR 75.68tn (4M23: IDR +234.87tn) or +0.33% (prev: +1.12% 4M23) of GDP in 4M24. Offshore accounts increased their holding by IDR +17.10tn in May 2024 (+2.17% MoM), from IDR 789.87tn as of 30 April 2024 to IDR 806.97tn which brought their holding increased to 14.05% of total outstanding tradable government bond (from 13.77% in the previous month). The 5Y yield May 2024 ended -27bps lower to +6.89%(vs +7.16% in April 2024), 10Y tenor ended -33bps lower to +6.92%(vs +7.25% in April 2024), 15Y tenor ended -26bps lower to +6.96% (vs +7.22% in April 2024) and 20Y tenor ended -15bps lower to +6.99% (vs +7.14% in April 2024).

The JCI ended the month lower at 6,970.74 (-3.64% MoM). Market laggards were BMRI, BBRI, BREN, BBCA, and BBNI as they fell -14.49%, -12.15%, -10.84%, -5.61%, and -16.19% MoM respectively. Global equities rebounded in May due to combination of lower-than-expected US job market prints as well as in-line US inflation report, which resulted in market pricing in the possibility of rate cut by the Fed in 2H24. Domestically in Indonesia, the JCI fell further in May (-3.64% MoM) as combination of IDR depreciation and foreign investors switching preference into China equities resulting in sell-offs in big banks within the JCI. Sector wise, the Industrial Sector was the worst performing sector during the month, declining -8.01% MoM. Ticker wise, MHKI (Multi Hanna Kreasindo) and ARKA (Arkha Jyanti Persada) were the laggards, depreciating -72.59% and -42.86% MoM respectively. This was followed by the Infrastructure Sector which dropped -7.26% MoM. Ticker wise, TOPS (Totalindo Eka Persada) and WIKA (Wijaya Karya) posted -33.33% and -30.86% MoM losses respectively. On the other hand, the best sector during the month was the Basic Material Sector, which recorded a gain of +4.52% MoM. Ticker wise, TIRT (Tirta Mahakam Resources) and ZINC (Kapas Prima Coal) were the movers which rose +140.00% and +100.00% MoM respectively.

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