

SMARTLINK RUPIAH BALANCED PLUS FUND

August 2021

BLOOMBERG: AZRPBPF U

Investment Objective

The objective of this fund is to achieve conservative long term capital growth while earning more relatively stable income.

Investment Strategy

To achieve the investment objectives, this fund shall be invested with a target of 25%-50% in money market and fixed income instruments (such as deposits, SBI, SPN, and / or money market mutual funds, government bonds, corporate bonds, and / or fixed-income mutual funds), and 50%-75% in equity instruments (either directly through stocks and / or through equity mutual funds).

Return Performance

Last 1-year Period		22.50%
Best Month	Sep-10	8.09%
Worst Month	Mar-20	-16.64%

Portfolio Breakdown

Equity	70.64%
Mutual Funds - Bonds	25.09%
Cash/Deposit	4.27%

Top Five Bonds Holding

FR 0087	1,61%
FR 0080	1,49%
FR 0070	1,42%
FR 0091	1,40%
FR 0078	1,34%

Top Five Stocks Holding

BANK CENTRAL ASIA TBK PT	7,71%
BANK RAKYAT INDONESIA PER	5,28%
BANK JAGO TBK PT	4,18%
BUKALAPAK.COM PT TBK	4,13%
TELKOM INDONESIA PERSERO	3,87%

Key Fund Facts

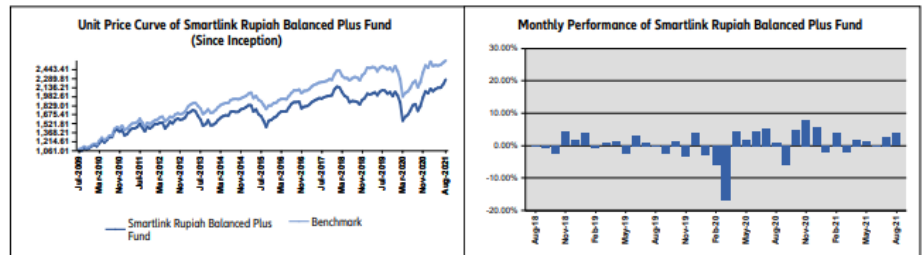
Fund Size (in bn IDR)	IDR 551.54
Risk Profile	Moderate - Aggressive
Launch Date	15 Jul 2009
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	255,362,475.8709

Price per Unit	Bid	Offer
(As of Aug 31, 2021)	IDR 2,159.85	IDR 2,273.53

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Balanced Plus Fund	3.70%	6.47%	7.34%	22.50%	19.25%	9.47%	127.35%
Benchmark*	1.28%	3.31%	0.62%	15.24%	11.93%	3.22%	159.70%

*70% Jakarta Composite Index (JCI), 25% Indonesia Bond Pricing Agency (IBPA) IDR Bond Index & 5% average time deposit (3 months) from Mandiri, BNI, BTN, Danamon and CIMB Niaga (Benchmark assessment; before Sep 2018: 60% Jakarta Composite Index (JCI) & 40% average time deposit (3 months) from Mandiri, BNI, BTN, Danamon and CIMB Niaga)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Aug 2021 inflation at +0.03% mom (vs consensus inflation +0.03%, +0.08% in July 2021). On yearly basis, inflation was +1.59% yoy (vs consensus inflation +1.60%, +1.52% in July 2021). Core inflation was printed at +1.31% yoy (vs consensus inflation +1.30%, +1.40% in July 2021). The lower monthly inflation was contributed by the deflation on volatile food group (lower prices of chicken and various horticulture) and the slowing down of the inflation on administered price group (chicken, and various horticulture). The BI Board of Governors agreed on 17-18 Aug 2021 to hold the BI 7-Day Reverse Repo Rate to be 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates to be 2.75% and 4.25%, respectively. This policy is to maintain Rupiah stability in the middle of global uncertainty and also the lower inflation. Rupiah appreciated against USD by +1.07% from 14,462 at end of July 2021 to 14,736 at end of Aug 2021. Indonesia's trade balance recorded surplus amounting to USD 2,589mn in July 2021 vs previous month surplus USD +1,316. The higher monthly trade surplus was caused by the lower imports number, especially on capital goods imports on the back of social restriction. While, the exports number was actually slowing down on the back of lower demand of iron and steel export from China. Even though, the CPO exports was increasing. Non-oil and gas trade balance in July 2021 recorded surplus USD +3,384mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,382mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -795mn in July 2021, which was lower than the deficit in June 2021 amounting to USD -1,066mn. Indonesia's official foreign reserve in the end of Aug 2021 was at USD 144.80bn, higher than July 2021 number at USD 137.3billion due to additional fund from IMF for Special Drawing Rights (SDR) allocation amounting to USD 6.31bn.

IDR Government bond yields were closed lower across all curves in line with offshore inflows as well as IDR appreciation. The rallied in the market was supported by the domestic and global sentiments. From the domestic side, the agreement between Bank Indonesia and Ministry of Finance to have another Burden Sharing Program for 2021 and 2022 through SKB3, gave positive sentiment to market. While the positive sentiment from global, was coming from dovish stance from FED which they announced on the FOMC Meeting and Jackson Hole Symposium in August 2021 despite they will start tapering off/reducing bonds buying in this year. In August 2021, Ministry of Finance and Bank of Indonesia agreed to continue the Burden Sharing Program in 2021 and 2022 with announced the SKB 3 as legal base. In 2021, Bank Indonesia will buy bonds amounting to IDR 215tn, while they will buy bonds amounting to IDR 224tn in 2022. BI will bear the interest rate for the bonds amounting to IDR 58tn in 2021 and IDR 40tn in 2022 which will be used to finance the vaccination and healthcare program. While, the rest interest rate of the issuance bonds under this program will be paid by MoF using 7 Days Repo Rate. Offshore accounts increased their holding by IDR +14.66 in Aug 2021 (+1.52% MoM), to IDR 980.44tn as of 31 Aug 2021 from IDR 965.78tn as of 31 July, which brought their holding to 22.44% of total outstanding tradable government bond (from 22.53% in the previous month). The 5Y yield Aug 2021 ended -13bps lower to +5.04% (vs +5.17% in July 2021), 10Y tenor ended -23bps lower to +6.06% (vs +6.29% in July 2021), 15Y tenor ended -2bps lower to +6.30% (vs +6.32% in July 2021) and 20Y tenor ended -15bps lower to +6.89% (vs +7.04% in July 2021).

The JCI ended the month higher at 6,150.30 (+1.32% MoM). Market movers were BBKA, BBRI, ASIL, BMRI and TLKM as they rose 9.72%, 5.93%, 10.70%, 7.02%, and 4.94% MoM respectively. Global stock markets strengthened in August, despite still relatively highly volatile from the beginning to the middle month period as geopolitical tension rise from Afghanistan and China. In addition, rising daily new Covid-19 cases globally and continuing market concerns over the outcome of the FOMC Meeting also fueled volatility. However, the dovish statement that came from Jerome Powell during the Jackson Hole symposium helped to build investors' confidence towards risky assets such as equities. Looking domestically in Indonesia, the country's daily Covid-19 cases and Covid-19 positivity rate has fallen quite significantly in August, which prompted the government to begin easing mobility restrictions, particularly in the Greater Jakarta area. On the vaccination progress, Indonesia continues to increase its daily vaccination rate, which now stands at above 1 million doses per day. The improvement in these two parameters has resulted in increasing foreign inflows into JCI in August. Market wise, the JCI currently trades at 2022 earnings multiple of 15x, which is still below its mean and considering the already low foreign investors positioning combined with improvement in economic activity in 3Q21 and upcoming technology company IPOs, we believe this will improve investors' appetite in Indonesian stock market going forward. Sector wise, the Industrial Sector was the best performing sector during the month, gaining 7.42% MoM. Ticker wise, LABA (Ladangbaja Murni) and MFM1 (Multifiling Mitra) were the movers, appreciating 50.00% and 30.71% MoM respectively. This was followed by the Financial Sector which rallied 3.24% MoM. Ticker wise, IMJS (Indomobil Multi Jasa) and BBYB (Bank Neo Commerce) posted 81.03% and 80.95% MoM gains respectively. On the other hand, the worst sector during the month was the Technology Sector, which recorded a decline of 6.32% MoM. Ticker wise, KIOS (Kioson Komersial) and EMTK (Elang Mahkota Teknologi) were the laggards, which fell 21.80% and 21.09% MoM respectively.

About Allianz Indonesia

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