

SMARTLINK RUPIAH BALANCED PLUS FUND

May 2020

BLOOMBERG: AZRPBPF:IJ

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		-16.68%
Best Month	Sep-10	8.09%
Worst Month	Mar-20	-16.64%

Portfolio Breakdown

Equity	67.70%
Mutual Funds - Bonds	27.71%
Mutual Funds - Equities	2.37%
Cash/Deposit	2.22%

Top Five Bonds Holding

FR0068	1.79%
FR0056	1.69%
FR0070	1.57%
FR0078	1.44%
FR0059	1.24%

Top Five Stocks Holding

Bank Central Asia	10.07%
Telekomunikasi Indonesia	5.78%
Unilever Indonesia	5.71%
Bank Rakyat Indonesia	4.51%
Bank Mandiri Persero	3.26%

Key Fund Facts

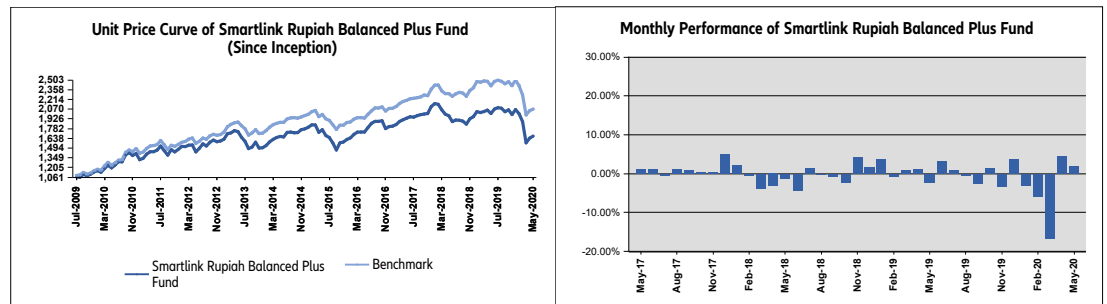
Fund Size (in bn IDR)	IDR 420.46
Risk Profile	Moderate - Aggressive
Launch Date	15 Jul 2009
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	264,715,065.2390

Price per Unit	Bid	Offer
(As of May 29, 2020)	IDR 1,588.36	IDR 1,671.96

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	1.89%	-11.36%	-16.04%	-16.68%	-13.67%	-19.05%	67.20%
Benchmark*	1.19%	-9.12%	-14.32%	-14.27%	-5.87%	-17.20%	107.22%

*70% Jakarta Composite Index (JCI), 25% Indonesia Bond Pricing Agency (BPA) 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 May 2020 inflation at +0.07% mom (vs consensus inflation +0.10%, +0.08% in April 2020). On yearly basis, inflation was +2.19% yoy (vs consensus inflation +2.20%, +2.67% in April 2020). Core inflation was printed at +2.65% yoy (vs consensus inflation +2.80%, +2.85% in April 2020). The inflation on May 2020 is the lowest inflation in festive season (Ramadhan & Idul Fitri) since 1998 which the food prices usually increased and could lead higher inflation, but in this year, there was deflation on volatile food group (declining of onion and chicken egg prices). In the Board of Governors' Meeting on 18-19 May 2020, Bank Indonesia hold the BI 7-day Reverse Repo Rate at 4.50% level, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.25% and 5.25% level, respectively. This policy is to support the rupiah stability, even though there are still room for Bank Indonesia to cut their benchmark rate. Rupiah appreciated by +2.79% to 14,733/USD at end of May 2020 from 15,157/USD previous month. Indonesia's trade balance recorded deficit amounting to USD -345mn in April 2020 vs previous month surplus USD +743.4mn. The trade deficit was caused by increment in non-oil and gas import where the increment was on importing electrical machinery (medical equipment supply). While the export number also lower on the back of lower coal export number which is caused by the weak price of commodity. Non-oil and gas trade balance in April 2020 recorded deficit USD -100.7mn, while the previous month recorded trade surplus amounting to USD +1,676mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -243mn in April 2020, which was lower than the deficit on March 2020 amounting to USD -932.6mn. Indonesia's official foreign reserve as of May 2020 was at USD 130.5billion, higher than April 2020's number at USD 127.9billion. The increment of foreign reserve was affected by withdrawal external government debt and also the placement of banks' foreign currency in Bank Indonesia.

IDR Government bond yields were closed lower across all curves in line with offshore inflows and also Rupiah appreciation. Market was bullish in May on the back of the rising of optimism for business across the world where many countries start to open their country again after implemented lockdown for couple months ago. Even though, there was still volatility which was mostly affected by the rising tension again between US and China. But, the offshore names were continuously coming to Indonesia market where they also reinvest their coupon payment. Offshore accounts increased their holding by IDR +7.07tn in May 2020 (+0.77% MoM), to IDR 931.83tn as of 29 May 2020 from 924.76tn as of 30 April 2020, which brought their holding to 30.54% of total outstanding tradable government bond (from 31.77% in the previous month). The 5Y yield May 2020 ended -44bps lower to +6.83% (+7.27% in April 2020), 10Y tenor ended -53bps lower to +7.35% (+7.88% in April 2020), 15Y tenor ended -28bps lower to +7.83% (+8.11% in April 2020) and 20Y tenor ended -28bps lower to +7.79% (+8.07% in April 2020).

The JCI ended the month higher at 4,753.61 (+0.79% MoM). Market movers were ASII, HMSP, BBRI, CPIN, and SMGR as they rose 23.9%, 21.63%, 8.06%, 25.54% and 23.27% MoM respectively. The Index closed the month in the positive territory as global equity market sentiment improved over several globally positive sentiments as continuation of plateauing daily infection numbers of COVID-19 cases and encouraging leading economy indicators globally which points out to recovery. The global manufacturing PMI rose in May, to 42.0 from 39.7 in April, which indicates economy showed signs of recovery despite some developing countries only beginning to relax social distancing measures halfway thru May. The pace of the recovery in the services sector continued at a faster than expected pace for now. Consumer activity in US has been recovering since mid-April and it has sustained going into the month of May. On the domestic front in Indonesia, government began to re-open some regions despite infection rates still being relatively high. While health concerns remain and 2nd wave or prolonged high infection rates still in question, economic impact is positive to Indonesia's largely consumption driven economy. The relaxation measures allow to what was regions that contributed 25-35% to GDP to recover in its productivity. Market has somewhat already largely priced in the bad news looking at the way market behaved, there was also some foreign flows buying into the market towards the tail end. However, how the longer term trajectory of the economic recovery will be determined from a combination of health issues, government monetary & fiscal policies which effectively determines purchasing power in the short to medium run. Sector wise, the Miscellaneous Industries Sector was the best performing sector during the month, gaining 17.02% MoM. Ticker wise, TFCC (Tifico Fiber Indonesia) and PBRX (Pan Brothers) were the movers, appreciating 85.95% and 80.82% MoM respectively. This was followed by the Construction, Property and Real Estate Sector which rallied 10.21% MoM. Ticker wise, IDPR (Indonesia Pondasi Raya) and SMDM (Suryamas Dutamakmur) posted 32.26% and 30.67% MoM gains respectively. On the other hand, the worst sector during the month was the Infrastructure, Utilities and Transportation Sector, which recorded a decline of 5.63% MoM. Ticker wise, INDY (Indika Energy) and BUKK (Bukaka Teknik Utama) were the laggards which fell 19.5% and 14.56% MoM respectively.

About Allianz Indonesia

PT Asuransi Allianz Life Indonesia was founded in 1996 and is part of Allianz Asia Pacific which has been present in the region since 1910. Allianz Group is a leading insurance company and asset manager in the world with over 129 years of experience and provides a variety of personal and insurance services, companies, ranging from property, life and health insurance to credit insurance and business insurance services globally.

Disclaimer:

Smartlink Rupiah Balanced Plus Fund is unit linked fund offered by PT. Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.