

# SMARTLINK RUPIAH BALANCED FUND

## November 2020

**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

To achieve the investment objectives, this fund shall be invested with a target of 50%-75% 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 25%-50% in equity instruments (either directly through stocks and / or through equity mutual funds).

### Return Performance

Last 1-year Period		5.05%
Best Month	Oct-07	12.71%
Worst Month	Oct-08	-17.27%

### Portfolio Breakdown

Equity	29.62%
Mutual Funds - Bonds	54.01%
Mutual Funds - Equities	0.72%
Mutual Funds - Alternatives	4.42%
Cash/Deposit	11.22%

### Top Five Bonds Holding

FR0056	3.45%
FR0080	3.42%
FR0070	3.18%
FR0078	2.99%
FR0059	2.56%

### Top Five Stocks Holding

Bank Central Asia	3.95%
Bank Rakyat Indonesia	2.56%
Telekomunikasi Indonesia	1.80%
Unilever Indonesia	1.73%
Bank Mandiri Persero	1.52%

### Key Fund Facts

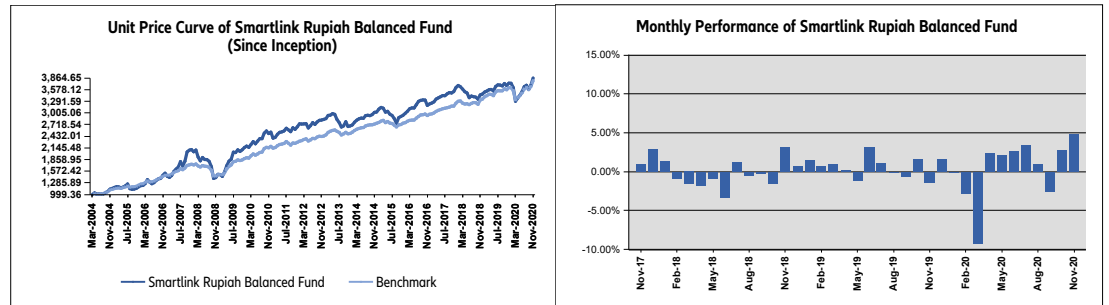
Fund Size (in bn IDR)	IDR 2,035.74
Risk Profile	Moderate
Launch Date	08 Mar 2004
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	554,482,681.1862

<b>Price per Unit</b>	<b>Bid</b>	<b>Offer</b>
(As of Nov 30, 2020)	IDR 3,671.42	IDR 3,864.65

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Balanced Fund	4.76%	4.83%	12.27%	5.05%	9.44%	3.37%	286.47%
Benchmark*	3.84%	4.40%	10.60%	6.27%	19.71%	4.69%	279.97%

\*25% Jakarta Composite Index (JCI), 50% Indonesia Bond Pricing Agency (IBPA) IDR Bond Index & 25% average time deposit (3 months) from Mandiri, BNI, BTN, Danamon, and CIMB Niaga  
(Benchmark assessment; 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 November 2020 inflation at +0.28% mom (vs consensus inflation +0.19%, +0.07% in Oct 2020). On yearly basis, inflation was +1.59% yoy (vs consensus inflation +1.54%, +1.44% in Oct 2020). Core inflation was printed at +1.67% yoy (vs consensus inflation +1.73%, +1.74% in Oct 2020). The increment of inflation is contributed by the inflation on volatile food group, such as: increasing chicken & egg, horticultural plants, and fried oil on the back of higher CPO prices. While, the slightly higher on core inflation is caused by the increment inflation on clothes and footwear, healthcare, and education group prices. The BI Board of Governors agreed on 18-19 November 2020 to cut the BI 7-Day Reverse Repo Rate by 25bps to be 3.75%, and also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 3.00% and 4.50%, respectively. This policy was in line with the inflation expectation remain low, maintain external stability, and to accelerate the economic recovery. Rupiah appreciated by +3.82% from 14,690 at end of Oct 2020 to 14,128 at end of November 2020. Indonesia's trade balance recorded surplus amounting to USD +3,607mn in Oct 2020 vs previous month surplus USD +2,438mn. The better number of trade surplus was still affected by increment on commodity price, especially CPO. Non-oil and gas trade balance in Oct 2020 recorded surplus USD +4,057mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,908mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -450mn in Oct 2020, which was lower than the deficit on Aug 2020 amounting to USD -470mn. Indonesia's official foreign reserve as of November 2020 was at USD 133.56 billion, lower than October 2020's number at USD 133.66 billion. The decrement of foreign reserve was caused by partly due to the gov't external debt payment.

IDR Government bond yields were lower across all curves supported by both onshore and offshore inflows in line with IDR appreciation. Market rallied due to positive sentiments from global and domestic. From the global side, the market mostly supported by: lower unemployment rate in US, positive growth of export and import activity in China, Pfizer, AstraZeneca & Moderna vaccine's trial success, Joe Biden winning over Donald Trump, and also the announcement of FED to increase the monetary stimulus for the US economic. While from the domestic side, the positive sentiments came from BI cut rate, the highest trade surplus since 2010, and the surplus of BoP amounting to USD 2.1bn in 3Q2020. On November 2020, MoF succeed to issue new bonds on private placement IDR42.48Tn which the only buyer is Bank Indonesia with burden sharing scheme. Offshore accounts increased their holding by IDR 15.56tn in November 2020 (+1.63% MoM), from IDR 954.95tn as of 27 Oct 2020 to IDR 970.51tn as of 30 November 2020, which brought their holding to 26.02% of total outstanding tradable government bond (from 26.41% in the previous month). The 5Y yield November 2020 ended -41bps lower to +5.08% (+5.49% in Oct 2020), 10Y tenor ended -43bps lower to +6.18% (+6.61% in Oct 2020), 15Y tenor ended -49bps lower to +6.68% (+7.17% in Oct 2020) and 20Y tenor ended -35bps lower to +6.92% (+7.27% in Oct 2020).

The JCI ended the month higher at 5,612.42 (+9.44% MoM). Market movers were BBRI, TLKM, BBCA, BBNI, and BMRI as they rose 21.73%, 23.28%, 7.17%, 26.58% and 9.52% MoM respectively. Equity indices globally reached to new highs driven by multiple positive news flows throughout November. Joe Biden's victory in the US presidential election outcome with total of 306 electoral voters, improved market sentiments removing one uncertainty. On the vaccine front, encouraging phase 3 vaccine result from Pfizer and Moderna, in which both 95% efficacy rate fueled growing optimism of economic recovery and subsequently fuelled stock market and commodity prices higher. On the domestic front, there has been a notable news flow coming from the EV Battery Company named CATL, to build USD 5.1bn factory in Indonesia. Along with that news flow, there has also been news that the IDFC (International Development Finance Corporation) had signed the LOI (Letter of Interest) to invest USD 2bn in Indonesia's Sovereign Wealth Fund. Collectively, it enhanced investors' confidence increasing the realization of FDI and new job creation. Sector wise, the Mining Sector was the best performing sector during the month, gaining 18.06% MoM. Ticker wise, DKFT (Central Omega Resources) and ENRG (Energi Mega Persada) were the movers, appreciating 72.73% and 70.59% MoM respectively. This was followed by the Infrastructure, Utilities and Transportation Sector which rallied 16.87% MoM. Ticker wise, INDY (Indika Energy) and GIAA (Garuda Indonesia Persero) posted 82.89% and 57.5% MoM gains respectively. On the other hand, the worst amongst the best sector during the month was the Miscellaneous Industries Sector, which only recorded a gain of 0.02% MoM. Ticker wise, ASII (Astra International) was the laggards which fell -2.30% MoM.

### About Allianz Indonesia

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