

# SMARTLINK RUPIAH EQUITY FUND

## December 2020

**BLOOMBERG: AZRPEQF:IJ**

### Investment Objective

The objective of this fund is to provide maximum long term investment yield.

### Investment Strategy

To achieve the investment objective, this fund shall be invested 0 - 20% in short-term instruments (such as deposits, SBI, SPN, and / or money market mutual funds) and 80 - 100% in equity instruments (either directly through stocks and / or through equity mutual funds).

### Return Performance

|                    |        |         |
|--------------------|--------|---------|
| Last 1-year Period |        | -2.51%  |
| Best Month         | Jul-09 | 14.70%  |
| Worst Month        | Oct-08 | -19.00% |

### Portfolio Breakdown

|                         |        |
|-------------------------|--------|
| Equity                  | 91.43% |
| Mutual Funds - Equities | 2.62%  |
| Cash/Deposit            | 5.95%  |

### Top Five Stocks Holding

|                          |        |
|--------------------------|--------|
| Bank Central Asia        | 13.18% |
| Bank Rakyat Indonesia    | 8.48%  |
| Telekomunikasi Indonesia | 5.79%  |
| Unilever Indonesia       | 4.91%  |
| Bank Mandiri Persero     | 4.78%  |

### Key Fund Facts

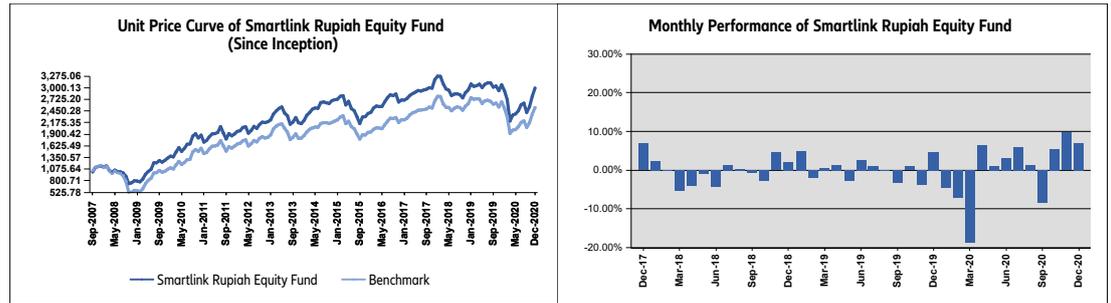
|                       |                     |
|-----------------------|---------------------|
| Fund Size (in bn IDR) | IDR 10,268.15       |
| Risk Profile          | Aggressive          |
| Launch Date           | 01 Sep 2007         |
| Fund Currency         | Indonesian Rupiah   |
| Pricing Frequency     | Daily               |
| Bid-Offer Spread      | 5.00%               |
| Management Fee        | 2.00% p.a.          |
| Custodian Bank Name   | Bank HSBC Indonesia |
| Total Unit            | 3,609,774,567.7159  |

| Price per Unit       | Bid          | Offer        |
|----------------------|--------------|--------------|
| (As of Dec 30, 2020) | IDR 2,844.54 | IDR 2,994.25 |

Managed by PT. Asuransi Allianz Life Indonesia

|                              | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | YTD    | Since Inception |
|------------------------------|---------|----------|----------|--------|---------|--------|-----------------|
| Smartlink Rupiah Equity Fund | 7.02%   | 23.89%   | 21.96%   | -2.51% | -6.31%  | -2.51% | 199.43%         |
| Benchmark*                   | 6.53%   | 22.77%   | 21.89%   | -5.09% | -5.93%  | -5.09% | 153.21%         |

\*Jakarta Composite Index (JCI)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced December 2020 inflation at +0.45% mom (vs consensus inflation +0.37%, +0.28% in Nov 2020). On yearly basis, inflation was +1.68% yoy (vs consensus inflation +1.61%, +1.59% in Nov 2020). Core inflation was printed at +1.60% yoy (vs consensus inflation +1.67%, +1.67% in Nov 2020). The increment of inflation is only contributed by the inflation on food, beverage and tobacco group, while there was still weak demand on other group which was impacted by lower of purchasing power, affected to the lower core inflation. The BI Board of Governors agreed on 16-17 December 2020 to hold the BI 7-Day Reverse Repo Rate at 3.75%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 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 +0.16% from 14,128 at end of November 2020 to 14,105 at end of December 2020. Indonesia's trade balance recorded surplus amounting to USD +2,612mn in Nov 2020 vs previous month surplus USD +3,607mn. The increment of CPO prices is still be the main contributor to the higher export number. The other reason is the increment of export volume of iron & steel to China. Non-oil and gas trade balance in Nov 2020 recorded surplus USD +2,935mn, which was lower than the previous month that recorded trade surplus amounting to USD +4,057mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -323mn in Nov 2020, which was lower than the deficit on Oct 2020 amounting to USD -450mn.

The JCI ended the month higher at 5,979.07 (+6.53% MoM). Market movers were BBCA, EMTK, ISAT, ANTM, and ASII as they rose 9.11%, 68.17%, 129.55%, 69% and 13.68% MoM respectively. Global equity markets continued its strong rally in December, which was mostly driven by a combination of US's stimulus approval, Brexit deal and also strong efficacy rate reported by various leading vaccine producers. Despite a record of high hospitalizations and the discovery of a new virus strain, market seems to be pricing in the recovery ahead within the global economy as several countries have started its vaccination program given the promising results reported by the vaccine companies. On the domestic front, US stimulus and vaccine development news flows supported EM markets, including Indonesia. Positive development on Indonesia's SWF and well-organized government vaccine roadmap brought investors' optimism to the market as well. All in all, 2020 became a solid year for major stock markets, despite the pandemic, while most of the EM equities recorded small losses for the year after strong recoveries in the past few months. Sector wise, the Mining Sector was the best performing sector during the month, gaining 14.42% MoM. Ticker wise, APEX (Apexindo Pratama Duta PT) and ANTM (Aneka Tambang Persero) were the movers, appreciating 148.48% and 69% MoM respectively. This was followed by the Agriculture Sector which rallied 13.73% MoM. Ticker wise, SSMS (Sawit Sumbermas Sarana) and SMAR (Sinar Mas Agro Resources & Technology) posted 81.16% and 31.75% MoM gains respectively. On the other hand, the worst sector during the month was the Consumer Sector, which recorded a decline of 0.4% MoM. Ticker wise, KICI (Kedung Indah Can) and SKLT (Sekar Laut) were the laggards which fell 14.52% and 9.28% MoM respectively.

Portfolio strategy wise, we have started to progressively shift to increase non defensives cyclical exposures on economic recovery expectation in 2021 and 2022. Generally speaking, our preference on equities that have pricing power, efficient balance sheet and good corporate governance has not changed regardless of condition. We are putting a larger emphasis on managing earnings expectations to a more conservative approach rather than growth seeking and assess value on that front also bearing in mind forex, leverage exposures and cash flow generation ability.

### 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:

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