Asuransi Allianz Life Indonesia

SMARTWEALTH EQUITY INDOGLOBAL FUND

March 2021

BLOOMBERG: AZRPGLB 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 80 - 100% in equity instruments (directly through stocks and / or through equity mutual funds) and 0 - 20% in short-term instruments (such as deposits). Furthermore, the fund shall be invested in equity instruments in the Global region (directly through stocks or equity mutual funds), not exceeding 20% of the portfolio at any given time.

Return Performance

Last 1-year Period		38.76%
Best Month	Nov-20	8.64%
Worst Month	Mar-20	-15.18%

Portfolio Breakdown

Equity	71.60%
Mutual Funds - Equities	20.08%
Cash/Deposit	8.32%

Top Five Stocks Holding

Bank Central Asia	9.05%
Bank Rakyat Indonesia	6.38%
Telekomunikasi Indonesia	4.68%
Elang Mahkota Teknologi	3.45%
Bank Jago	3.37%

Key Fund Facts

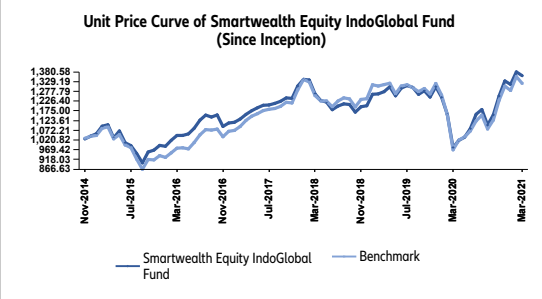
Fund Size (in bn IDR)	IDR 21.28
Risk Profile	Aggressive
Launch Date	07 Nov 2014
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	16,459,789.4353

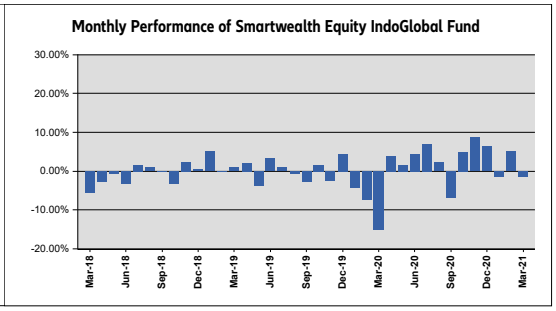
Price per Unit	Bid	Offer
(As of Mar 31, 2021)	IDR 1,292.80	IDR 1,360.84

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartwealth Equity IndoGlobal Fund	-1.43%	2.10%	23.70%	38.76%	7.60%	2.10%	36.08%
Benchmark*	-2.62%	1.14%	22.33%	36.24%	5.13%	1.14%	32.03%

*80% Jakarta Composite Index (JCI) & 20% MSCI Daily TR Net World USD Index





Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced March 2021 inflation at +0.08% mom (vs consensus inflation +0.12%, +0.10% on Feb 2021). On yearly basis, inflation was +1.37% yoy (vs consensus inflation +1.40%, +1.38% on Feb 2021). Core inflation was printed at +1.21% yoy (vs consensus inflation +1.44%, +1.53% on Feb 2021). The lower inflation in March 2021 was caused by the lower core inflation. The decline in core inflation was mainly driven by deflation in auto commodities in line with the provision of incentives to reduce the Sales Tax on Luxury Goods (PPnBM) rates for certain motor vehicles and deflation in the gold jewelery commodity that continued in line with the slowing of global gold inflation. The BI Board of Governors agreed on 17-18 March 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 in line with lower inflation expectation, stable Rupiah currency, and also to push the economic recovery. Rupiah depreciated against USD by -2.41% from 14,229 at end of Feb 2021 to 14,572 at end of March 2021. Indonesia's trade balance recorded surplus amounting to USD +2,010mn in Feb 2021 vs previous month surplus USD +1,959mn. The support for trade surplus were still coming from higher export of iron and steel to China, and also the increment of vehicle export to ASEAN and Japan. Non-oil and gas trade balance in Feb 2021 recorded surplus USD +2,445mn, which was lower than the previous month that recorded trade surplus amounting to USD +2,627mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -443mn in Feb 2021, which was lower than the deficit on Jan 2021 amounting to USD -668mn. Indonesia's official foreign reserve as of March 2021 was at USD 137.1 billion, lower than February 2021 number at USD 138.8 billion. The lower of foreign reserve was caused by the external government debt payment.

The JCI ended the month lower at 5,985.52 (-4.11% MoM). Market laggards were BBCA, BBRI, UNVR, MEGA, and INCO as they fell -7.38%, -6.58%, -6.07%, -19.23% and -27.9% MoM respectively. Global equity market continued its rally in March as optimism builds on the basis of a massive USD1.9tn of US fiscal stimulus as well as better than expected growth expectation within developed markets, which was seen through the strong recovery in manufacturing data as well as jobs data. As such, there has been an upward revision on US 2021 GDP growth numbers to 6.5%, from previously 4.2%. Despite the strong economic recovery in the US and other developed nations, volatility remains on the rise in March as market argues the stronger than expected growth would potentially result in an inflation overshoot, in turn pressuring the central banks to do tapering sooner than expected. Such anticipation had resulted in the rapid rise in global bond yields, which subsequently triggered sell-offs within emerging market equities such including Indonesia. Within the Indonesia equity market, several catalysts have been playing out on the domestically but the emerging market equities sell-off has led the IDR to weakened to IDR 14.5k/USD. Despite the high volatility, current valuation of 16x FY21 P/E seems fair given the expectation of strong economic recovery post vaccination and potential upcoming Indonesian tech IPOs in 2021-2022. Sector wise, the Mining Sector was the worst performing sector during the month, declining 13.84% MoM. Ticker wise, INCO (Vale Indonesia) and TINS (Timah Persero) were the laggards, depreciating 27.9% and 27.25% MoM respectively. This was followed by the Finance Sector which dropped 5.92% MoM. Ticker wise, BBYB (Bank Yudha Bhakti) and MAYA (Bank Mayapada International) posted 40.84% and 38.85% MoM losses respectively. On the other hand, the best sector during the month was the Basic Industry Sector, which recorded a gain of 0.27% MoM. Ticker wise, CTBN (Citra Tubindo) and JPFA (Japfa Comfeed Indonesia) were the movers which rose 42.32% and 25.08% 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.

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