

SMARTWEALTH EQUITY SMALL MEDIUM CAPITAL FUND

October 2021

BLOOMBERG: AZRPSMC 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 small and medium cap equity instruments (either directly through stocks and / or through equity mutual funds).

Portfolio Breakdown

| | |
|--------------|--------|
| Equity | 98.62% |
| Cash/Deposit | 1.38% |

Top Ten Stocks Holding

(in Alphabetical Order)

Bank Central Asia
Bank Jago
Bank Rakyat Indonesia
Bukalapak.Com ,
Elang Mahkota Teknologi
Merdeka Copper Gold
Sarana MeditamaMetropolitan
Surya Citra Media
Telekomunikasi Indonesia
Tower Bersama Infrastruct

Key Fund Facts

| | |
|-----------------------|---------------------|
| Fund Size (in bn IDR) | IDR 359.81 |
| Risk Profile | Aggressive |
| Launch Date | 27 Sep 2013 |
| 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 | 212,816,738.4369 |

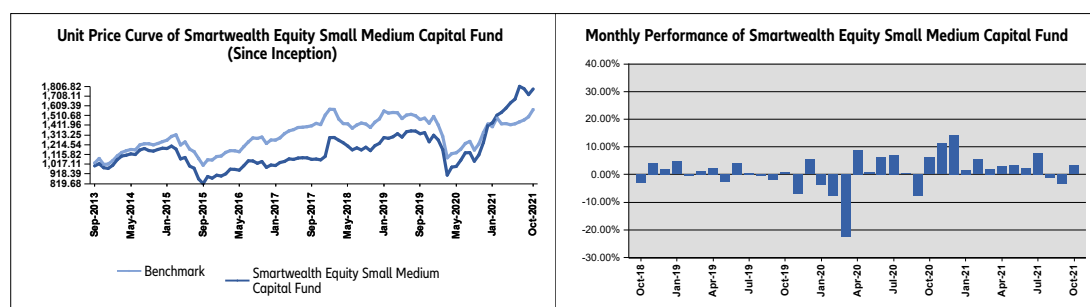
| Price per Unit | Bid | Offer |
|----------------------|--------------|--------------|
| (As of Oct 29, 2021) | IDR 1,690.69 | IDR 1,779.67 |

Managed by PT. Asuransi Allianz Life Indonesia

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | YTD | Since Inception |
|--|---------|----------|----------|--------|---------|---------|--------|-----------------|
| Smartwealth Equity Small Medium Capital Fund | 3.27% | -1.50% | 12.22% | 60.03% | 54.13% | 70.41% | 25.94% | 77.97% |
| Benchmark* | 4.84% | 8.59% | 9.94% | 28.53% | 13.03% | 21.55% | 10.24% | 57.12% |

*Jakarta Composite Index (JCI)

(Benchmark assessment; using benchmark since Sep 2021, backdated to inception date)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Oct 2021 inflation +0.12% mom (vs consensus inflation +0.10%, -0.04% in Sep 2021). On yearly basis, inflation was +1.66% yoy (vs consensus inflation +1.65%, +1.60% in Sep 2021). Core inflation was printed at +1.33% yoy (vs consensus inflation +1.40%, +1.33% in Sep 2021). The higher inflation on Oct 2021 was supported by the inflation increment on volatile food group and administered price group. The higher inflation on volatile food group was affected by the increment of chili and cooking oil prices (in line with higher global CPO price), while on the administered price group side was affected by the higher air fare cost. The BI Board of Governors agreed on 18-19 Oct 2021 to hold the BI 7-Day Reverse Repo Rate at 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 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 +1.05% from 14,321 at end of Sep 2021 to 14,171 at end of Oct 2021. Indonesia's trade balance recorded surplus amounting to USD 4,371mn in Sep 2021 vs previous month surplus USD 4,746mn. Despite of the amount of trade surplus slightly lowered compared last month, the export number still showed strong growth on the back of increment demand of coal export from EU and US. Non-oil and gas trade balance in Sep 2021 recorded surplus USD +5,305mn, which was slightly lower than the previous month that recorded trade surplus amounting to USD +5,728mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -934mn in Sep 2021, which was slightly lower than the deficit in Aug 2021 amounting to USD -982mn. Indonesia's economy grew by +3.51% YoY in Q3 2021 (vs previous +7.07%, consensus +3.88%), and also recorded positive growth by +1.55% QoQ (vs previous +3.31%, consensus +1.90%). The slowing down was affected by the mobility restriction in Q3 2021 which was impacted by the Covid-19 second wave, and also lower domestic demand. The YoY growth was contributed by the deceleration on household consumption growth by 1.03% YoY, while government spending only grew by +0.60% YoY. Indonesia's official foreign reserve in the end of Oct 2021 was at USD 145.5bn, slightly lower than Sep 2021 number at USD 146.90bn due to the government's external debt payment.

The JCI ended the month higher at 6,591.35 (+4.84% MoM). Market movers were BBKA, BBRI, BMRI, BBNI, and ASII as they rose 6.79%, 10.39%, 16.67%, 30.23%, and 10.42% MoM respectively. Global stock markets continued to strengthen in October, driven by robust US economic data and upbeat corporate 3Q21 earnings results despite concerns on higher inflation, supply chain disruptions and rising energy cost. On taper updates, the Fed stated it will begin tapering monthly bond purchases by USD15bn/month until December 2021 and will adjust the pace of purchases depending on the economic outlook. This boosted price of risky assets ie equities as market perceive the stance as more dovish. Moving to Indonesia, Indonesia government began further relaxing its mobility restrictions as new covid cases remain low. This has reflected in several leading indicators such as mall occupancy rate in malls in Jakarta, which has now reached 80% of pre-covid level and weekly toll road traffic volume that has reached 11% above the pre-covid level. On Indonesia equities, the Indonesia stock benchmark currently trades at 2022 earnings multiple of 15.7x, which is slightly above its mean but considering the already low foreign investors positioning combined with improving economic activity, strong commodity prices, upcoming tax amnesty and more technology company IPOs, we believe this will improve investors' appetite in Indonesian stock market going forward. Sector wise, the Financial Sector was the best performing sector during the month, gaining 8.70% MoM. Ticker wise, BBHI (Allo Bank Indonesia) and BBNI (Bank Negara Indonesia) were the movers, appreciating 60.00% and 30.23% MoM respectively. This was followed by the Basic Materials Sector which rallied 6.20% MoM. Ticker wise, GGRP (Gunung Raja Paks) and MDKA (Merdeka Copper Gold) posted 58.07% and 25.40% MoM gains respectively. On the other hand, the worst sector during the month was the Technology Sector, which recorded a decline of 0.4% MoM. Ticker wise, KIOS (Kioson Komersial Indonesia) and BUKA (Bukalapak) were the laggards, which fell 25.12% and 19.19% 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:

Smartwealth Equity Small Medium Capital 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.