

Smartwealth Rupiah Equity IndoAsia Fund

August 2024

BLOOMBERG: AZRPIAS IJ

Investment Objective

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

Investment Strategy: Equity

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 Asia Pacific region, excluding Japan, not exceeding 20% of the fund.

Return Performance

Last 1-year Period	0.90%
Best Month	Oct-11 8.45%
Worst Month	Mar-20 -16.90%

Portfolio Breakdown

Equity	94.08%
Money Market	5.92%

Top 10 Holding

(in Alphabetical Order)

- Adaro Energy
 - Bank Central Asia
 - Bank Mandiri Persero
 - Bank Negara Indonesia
 - Bank Rakyat Indonesia
 - Bukalapak.Com
 - GoTo Gojek Tokopedia Tbk
 - Indofood CBP Sukses Makmur
 - Merdeka Copper Gold Tbk
 - Telekomunikasi Indonesia
- *there is no investment on related parties

Industry Sector

Finance	34.15%
Infrastructure	13.11%
Technology	12.48%
Consumer Non-Cyclical	10.52%
Energy	7.82%
Consumer Cyclical	7.39%
Industrials	6.48%
Basic Materials	4.56%
Property	2.00%
Health	1.48%

Key Fund Facts

Fund Size (in bn IDR)	IDR 148.42
Risk Level	Aggressive
Launch Date	05 May 2011
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	91,350,887.6251

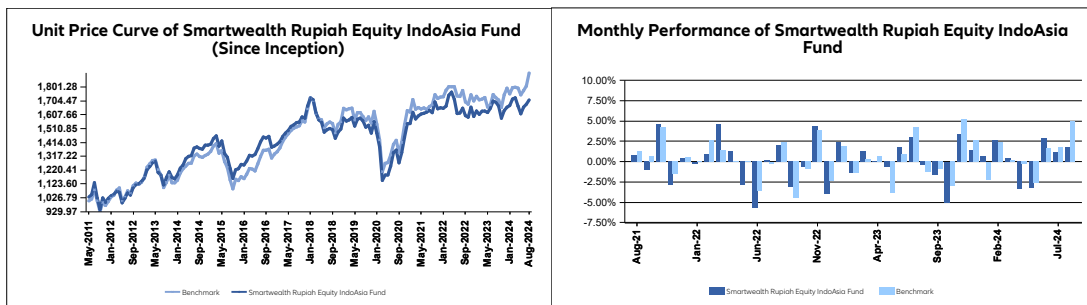
Price per Unit	Bid	Offer
(As of Aug 30, 2024)	IDR 1,624.74	IDR 1,710.25

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartwealth Rupiah Equity IndoAsia Fund	1.78%	5.98%	-0.38%	0.90%	4.40%	9.37%	3.05%	71.03%
Benchmark*	4.98%	8.70%	5.67%	10.00%	14.06%	19.07%	5.88%	89.81%

*80% Jakarta Composite Index (JCI) and 20% MSCI AC Far East Ex-Japan Index (MXFEJ Index)

(New benchmark assessment as of May 2012; previously: Jakarta Composite Index (JCI))



Manager Commentary

Asia ex Japan equities advanced over August, overcoming a sharp sell-off in the early days of the month caused by fears of a US recession. Additionally, shares were boosted by a growing belief that the US Federal Reserve will start to cut rates in September. ASEAN markets were particularly strong, benefitting from rising interest in high-growth economies which are positioned to benefit from cuts in interest rates. Mainland Chinese shares continued to weaken over August, with the Shanghai Composite Index falling to a six-month low amid ongoing concerns about the strength of Chinese economic momentum. President Xi Jinping called for measures to boost domestic consumption, highlighting the authorities concern over the growth trajectory given disinflation risks, sluggish exports and the ongoing housing market crisis. In contrast, Hong Kong stocks outperformed, posting solid gains as investors looked ahead to rate cuts from the US Federal Reserve ("Fed"). Australian stocks closed the month flat. While the Reserve Bank of Australia kept rates on hold at 4.35%, sticky consumer prices mean the central bank remains alert to upside inflation risks. Taiwanese shares also gained slightly, although equities in South Korea lost ground, dragged lower by index heavyweight Samsung Electronics. ASEAN markets outperformed their more developed counterparts in the region. The Philippines and Indonesia were the strongest markets, with Thailand, Malaysia and Singapore also posting solid gains. With the tariff war between the US and China showing no signs of ending, the region is benefitting from the relocation of production facilities from China to more geopolitically neutral Southeast Asia.

Central Bureau Statistics of Indonesia (BPS) announced August 2024 deflation at -0.03% MoM (vs consensus inflation +0.00%, -0.18% in July 2024). On yearly basis, inflation was at +2.12% YoY (vs consensus inflation +2.10%, +2.13% in July 2024). Core inflation was printed at +2.02% YoY (vs consensus inflation +2.00%, +1.95% in July 2024). The monthly deflation was contributed by the lower price of food group. The BI Board of Governors agreed in their meeting on 20-21 August 2024 to hold the BI-Rate at 6.25%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) at 5.50% and 7.00% respectively. This decision is consistent with the pro-stability focus of monetary policy, namely as a pre-emptive and forward-looking measure to maintain inflation within the 2.5%±1% target corridor in 2024 and 2025. Rupiah was strengthening against USD by +5.04% from 16,294 at the end of July 2024 to 15,473 at the end of August 2024. The strengthening of the Rupiah was impacted by the release of several US Macro data, which show that the US labor market is cooling down. It has fueled investor's expectations of a more aggressive rate cut by the FED this year. Indonesia's trade balance recorded a surplus amounting to USD +472mn in July 2024 vs the previous month's surplus of USD +2,395mn in June 2024. The lower trade surplus was impacted by acceleration of import growth outpace export growth in July 2024. Non-oil and gas trade balance in July 2024 recorded a surplus of USD +2,607mn, which was lower than the previous month recorded a trade surplus amounting to USD +4,434mn in June 2024. Meanwhile, the oil and gas trade balance still recorded a deficit of USD -2,135mn in July 2024, which was higher than the deficit in June 2024, amounting to USD -2,039mn. Indonesia recorded an account deficit of USD -3.02 billion in Q2 of 2024, up from a Current Account Deficit of USD -2.50 billion in the same period the previous year. This deficit accounts for -0.88 percent of the country's GDP. The deficit was driven by a higher service balance deficit, which was USD -5.15bn in Q2 of 2024 from USD -4.60bn in Q2 of 2023. Indonesia's official reserve assets position amassed USD 150.2 billion as of the end of August 2024, increased from USD 145.4 billion as of July 2024. The increase was impacted by several factors, including tax and service receipts, oil and gas export receipts, as well as government's foreign loan withdrawal.

The JCI ended the month higher at 7,670.73 (+5.72% MoM). Market movers were BREN, BBRI, BMRI, DSSA, and MSIN as they rose +24.28%, +10.28%, +11.33%, +40.63%, and +175.18% MoM respectively. Global equities performance was mixed in August due to a combination of 1) Weakness in US August labor market as unemployment rate rose to 4.3%, indicating that a hard landing US recession is still possible 2) Carry trade unwind out of the USD/JPY Currency following rate hike by the BOJ 3) Continuous softness in China economic data, which indicate growth may remain subdued going forward. Domestically in Indonesia, the JCI rallied further in August (+5.72% MoM) as market is pricing in a 100% chance of a US Fed rate cut in Sept, which in turns should be favorable towards EM currencies, including the Rupiah. Sector wise, the Consumer Cyclical Sector was the best-performing sector during the month, gaining +20.41% MoM. Ticker-wise, TMPO (Tempo Inti Media) and MSIN (MNC Digital Entertainment) were the movers, appreciating +237.84% and +175.18% MoM respectively. This was followed by the Properties and Real Estate Sector which rallied +12.62% MoM. Ticker-wise, PPRO (PP Properti) and PANI (Pantai Indah Kapuk Dua) posted +200.00% and +45.54% MoM gains respectively. On the other hand, the worst sector during the month was the Technology Sector, which recorded a decrease of -0.74% MoM. Ticker-wise, AXIO (Tera Data Indonesia) and TRON (Teknologi Karya Digital) were the laggards which fell -17.51% and -10.89% MoM respectively.

About Allianz Indonesia

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