

SMARTWEALTH LIQUIFLEX LQ45 FUND

April 2020

BLOOMBERG: AZRPLQF: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 – 100% in short-term instruments (such as deposits, SBI, SPN, and / or money market mutual funds) and 0 – 100% in equity instruments through direct participation in stocks of Indonesia's LQ45 index members.

Return Performance

Last 1-year Period		-20.74%
Best Month	Dec-17	8.48%
Worst Month	Mar-20	-10.73%

Portfolio Breakdown

Equity	53.72%
Cash/Deposit	46.28%

Top Five Stocks Holding

Bank Central Asia	11.50%
Telekomunikasi Indonesia	7.90%
Bank Rakyat Indonesia	7.55%
Bank Mandiri Persero	4.25%
Astra International	2.64%

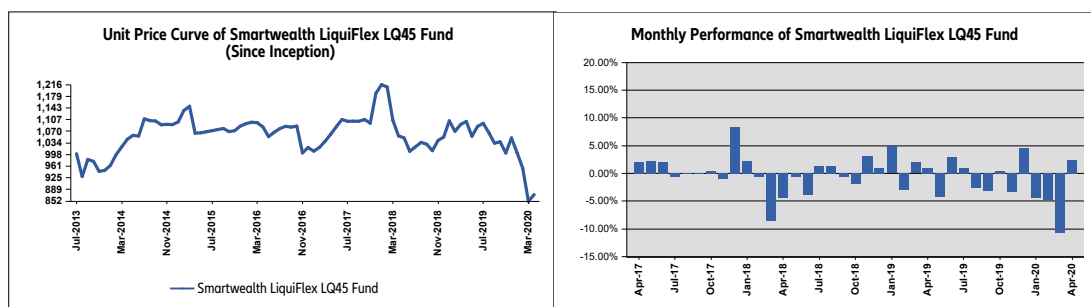
Key Fund Facts

Fund Size (in bn IDR)	IDR 32.62
Risk Profile	Aggressive
Launch Date	03 Jul 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	39,345,727.0789

Price per Unit	Bid	Offer
(As of Apr 30, 2020)	IDR 829.16	IDR 872.80

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartwealth LiquiFlex LQ45 Fund	2.38%	-13.05%	-15.88%	-20.74%	-17.76%	-16.84%	-12.72%



Manager Commentary

Following a disastrous March, LQ45 Index returned +3.58% in April. Foreign investors continued to sell, withdrawing USD560m from the equity market. Materials and telecoms were the best performing sectors while the real estate and consumer discretionary sectors lagged. Retailers would face the brunt of the slowdown with footfalls declining precipitously. While high income segment should initially fare better, overall consumption would likely slow as unemployment starts to creep up. In response to the spread of Covid-19, the government employed social distancing policies such as large gatherings ban and the postponement of the Lebaran holidays. In light of the developments, business activities in major cities such as Jakarta and Surabaya would be significantly impacted. Similar to its regional peers, Indonesia government has launched stimulus packages to alleviate the negative impact of the slowdown. Market trend and momentum of Indonesian stock market remained strongly negative as the index consolidated during April, amid the uncertainty and global recessionary fear from the spread of Covid-19. LQ45 Index recovered mildly during the first week of April, but fell again since the second week. We have reduced equity exposure from over 70% to around 56% on 7 April, and maintained at such level till the end of the month.

The market will remain cautious as investors take a wait-and-see approach near term. Growth will certainly be affected negatively by the pandemic but the biggest uncertainty is the extent of the impact. The government is hopeful that the economy will see positive growth for the full year, assuming normalcy to return in the second half. If that scenario fails to materialize, growth will likely fall into a negative territory and the market will see renewed selling pressure.

Corporate earnings have to reflect the extent of the Covid-19 impact with the earning consensus still having room for downgrades in the coming quarters. The portfolio maintains its positive bias in the telecom sector given its strong balance sheet and cash flow generation. Additionally, data demand should remain strong as people would demand more streaming services during the lockdown. Our Market Cycle outlook remains negative. As the Covid-19 crisis continues, we are seeing signals that this bear market has likely not reached its bottom. In medium-to-short run, we expect to remain defensive in our positioning, with dynamic adjustment to help capture upside and protect on the downside. We expect market volatility and uncertainty will remain high over the near term.

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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