

# SMARTWEALTH LIQUIFLEX LQ45 FUND

## May 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		-16.77%
Best Month	Dec-17	8.48%
Worst Month	Mar-20	-10.73%

### Portfolio Breakdown

Equity	54.56%
Cash/Deposit	45.44%

### Top Five Stocks Holding

Bank Central Asia	10.19%
Telekomunikasi Indonesia	7.90%
Bank Rakyat Indonesia	6.78%
Bank Mandiri Persero	3.81%
Astra International	3.15%

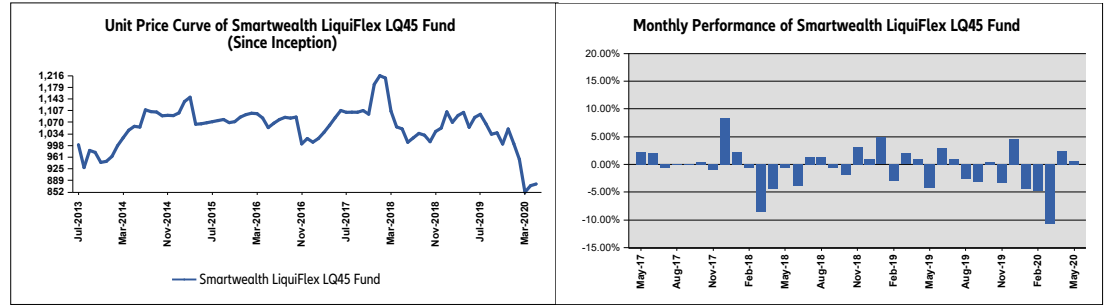
### Key Fund Facts

Fund Size (in bn IDR)	IDR 32.84
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	39,369,998.0831

Price per Unit	Bid	Offer
(As of May 29, 2020)	IDR 834.14	IDR 878.04

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartwealth LiquiFlex LQ45 Fund	0.60%	-8.05%	-12.44%	-16.77%	-19.07%	-16.34%	-12.20%



### Manager Commentary

LQ45 Index rose 1.8% in May. Consumer discretionary and industrials outperformed while telecoms and real estate lagged. Consumer discretionary saw buying interests as the country edged closer to reopening of the economy. Retailers should see improved footfalls as government relax social distancing policy. Market also rotated into industrials after the sector was severely beaten down due to the epidemic. 1Q GDP slowed to 3%YoY from 5% in 4Q19. Private consumption fell precipitously during the quarter, reflecting the impact of Covid-19. Investment growth, which was already in a downtrend in 2019, decelerated further to 1.7%. In spite of the sharp economic slowdown, Bank Indonesia (BI) maintained the benchmark rate at 4.5%. The move surprised the market slightly but BI was likely wary of currency weakness which a rate cut might bring. Market trend and momentum of Indonesian stock market remained strongly negative during May, amid the spread of Covid-19 and increasing concern on deteriorated growth outlook. LQ45 Index continued to experience volatility. The index plunged by over 7% during first half of the month, but recovered by over 10% during second half. Equity exposure was maintained at around 55% throughout the month.

The fund underperformed the Index in the month of May. Positive stock selections in the material and telecom sectors helped performance while selective names in the consumer sector contributed negatively. The market should react positively as the country draws closer to the re-opening of the economy, provided that the epidemic does not worsen. Consumption should begin to improve but most likely not in a V-shaped recovery as uncertainty linger due to rising unemployment. Private investment would also likely to see softer improvement given it has already been declining prior to Covid-19. Lastly, the re-escalation of US and China tension would keep interest in emerging markets such as Indonesia at bay.

With the political rhetoric of US and China turning more aggressive, it would be difficult for emerging markets such as Indonesia to perform sustainably. Exports and currency would likely get hit if trade war resumes between US and China. Given all the uncertainties, the portfolio will remain its positive bias on companies with strong balance sheet with healthy cashflow. Our Market Cycle outlook remains negative but improving on Indonesian equity market. Globally, we have observed some easing of the risk-off sentiment. In short-to-medium 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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