

# Smartlink Rupiah Equity Fund

February 2023

BLOOMBERG: AZRPEQF 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 0 - 20% in short-term instruments and 80 - 100% in equity instruments.

Return Performance

Last 1-year Period	-6.09%
Best Month	Jul-09 14.70%
Worst Month	Oct-08 -19.00%

Portfolio Breakdown

Equity	90.28%
Money Market	9.72%

Top 10 Holding

(in Alphabetical Order)

- Astra International
  - Bank Central Asia
  - Bank Mandiri Persero
  - Bank Rakyat Indonesia
  - Bukalapak.Com
  - GoTo Gojek Tokopedia Tbk
  - Impack Pratama Industri Tbk
  - Merdeka Copper Gold Tbk
  - Semen Indonesia Persero
  - Telekomunikasi Indonesia
- \*there is no investment on related parties

Industry Sector

Finance	38.39%
Infrastructure	13.81%
Technology	10.91%
Basic Industry	10.05%
Industry	8.86%
Consumer Non-Cyclical	5.93%
Consumer Cyclical	4.24%
Health	3.75%
Energy	3.20%
Property	0.85%

Key Fund Facts

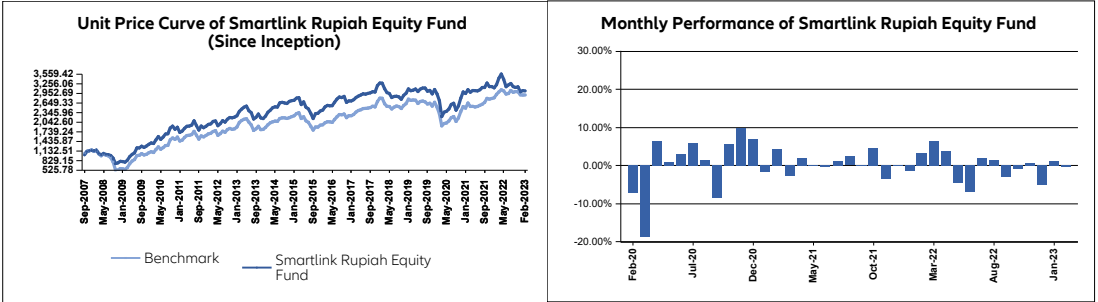
Fund Size (in bn IDR)	IDR 9,189.87
Risk Level	Aggressive
Launch Date	01 Sep 2007
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	3,196,278,716.2297

Price per Unit	Bid	Offer
(As of Feb 28, 2023)	IDR 2,875.18	IDR 3,026.51

Managed by	PT. Asuransi Allianz Life Indonesia
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	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Equity Fund	-0.30%	-4.11%	-7.20%	-6.09%	11.20%	-7.45%	0.93%	202.65%
Benchmark*	0.06%	-3.36%	-4.67%	-0.65%	25.50%	3.73%	-0.11%	189.81%

\*Jakarta Composite Index (JCI)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Feb 2023 inflation at +0.16% mom (vs consensus inflation +0.13%, +0.34% in Jan 2023). On yearly basis, inflation was at +5.47% yoy (vs consensus inflation +5.42%, +5.28% in Jan 2023). Core inflation was printed at +3.09% yoy (vs consensus inflation +3.24%, +3.27% in Jan 2023). The lower inflation was contributed by the lower core inflation and inflation of volatile food group. The BI Board of Governors agreed on 15-16 Feb 2023 to increase the BI 7-Day Reverse Repo Rate at 5.75% and also hold the Deposit Facility (DP) and Lending Facility (LF) rates at 5.00% and 6.50%, respectively. In total, Bank Indonesia had increased their benchmark rate by 225bps up to Jan 2023. This decision for this policy is as front loaded, pre-emptive and forward-looking movement to lower the expectation inflation and to ensure the core inflation back to their target level at 3±1% on 1H 2023. Mr Perry Warjiyo mentioned that the latest rate hike was sufficient to bring the inflation back to their target. Rupiah depreciated against USD by -2.85% from 14,992 at end of January 2023 to 15,420 at end of February 2023. The depreciation of Rupiah was impacted by outflow of foreign investor from Indonesia's bond market. Indonesia's trade balance recorded surplus amounting to USD +3,870mn in Jan 2023 vs previous month surplus USD +3,890mn in Dec 2022. The relatively stable trade surplus was impacted the increment of coal export by +31% YoY in Jan 2023. Non-oil and gas trade balance in Jan 2023 recorded surplus USD +5,289mn, which was lower than the previous month that recorded trade surplus amounting to USD +5,613mn in Dec 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,419mn in Jan 2023, which was lower than the deficit in Dec 2022 amounting to USD -1,725mn. Indonesia's official reserve assets position amassed USD 140.3billion as of end February 2023, increased from USD 139.4billion as of end January 2023. The increment was impacted by the issuance of government foreign loan withdrawal as well as tax & service receipts.

The JCI ended the month higher at 6,843.24 (+0.06% MoM). Market movers were BBCA, UNTR, GOTO, BBRI, and BRPT as they rose 3.24%, 13.65%, 5.36%, 1.97%, and 13.33% MoM respectively. Global equities showed mixed performance in February as most of the US January economic data showed that inflation is still running high, and its economy seemed to be strong enough to handle the possibility of more rate hikes since its job market is still very tight while consumption is rebounding at the same time. Domestically in Indonesia the JCI ended February flat MoM as we saw foreign flows returning to selective large cap names, but sentiment remained negative during the month as market showed signs of attempting to consider the higher for longer US interest rates scenario narrative. Sector wise, the Transportation and Logistic Sector was the best performing sector during the month, gaining 10.26% MoM. Ticker wise, LAJU (Jasa Berdikari Logistics) and TMAS (Temas Tbk) were the movers, appreciating 129.23% and 32.54% MoM respectively. This was followed by the Consumer Cyclical Sector which rallied 2.93% MoM. Ticker wise, MASA (Multistrada Arah Sarana) and HRTA (Hartadinata Abadi) posted 73.21% and 59.43% MoM gains respectively. On the other hand, the worst sector during the month was the Energy Sector, which recorded a decline of 3.23% MoM. Ticker wise, INPS (Indah Prakasa Sentosa) and CBRE (Cakra Buana Resources) were the laggards, which fell 50.36% and 37.50% MoM respectively.

Portfolio positioning strategy wise, we are slightly underweight and selective. We are beginning to factor in that 2023 would be a year of normalization where strong commodity prices are set to normalize with aggregate corporate earnings growth is expected to grow at high single digit compared to double digit growth in 2022. Structurally, we are also adjusting to a new era of higher cost of capital and hence equity. Despite a challenging and volatile short-term outlook, we still believe that the direction of digital and down streaming theme is structural and playing an important role for Indonesia over the mid-long term. Our preference on equities that have pricing power, efficient balance sheet and good corporate governance has not changed regardless of conditions. However, we have increased our cash portion over rising recession risk, complex geopolitical factors and lingering uncertainty over knee jerk type adjustment period(s).

About Allianz Indonesia

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