

Smartwealth Rupiah Equity IndoAsia Fund

January 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 | Oct-11 | 2.34% |
| Best Month | Oct-20 | 8.45% |
| Worst Month | Mar-20 | -16.90% |

Portfolio Breakdown

| | |
|--------------|--------|
| Equity | 92.00% |
| Money Market | 8.00% |

Top 10 Holding

(in Alphabetical Order)

- Adara Minerals Indo Tbk
- Bank Central Asia
- Bank Danamon Indonesia 3.5%
- Bank Mandiri Persero
- Bank Negara Indonesia
- Bank Rakyat Indonesia
- Bukalapak.Com
- Map Aktif Adiperkasa
- Merdeka Battery Materials Tbk
- Telekomunikasi Indonesia
- *there is no investment on related parties

Industry Sector

| | |
|-----------------------|--------|
| Finance | 38.43% |
| Infrastructure | 13.53% |
| Technology | 11.69% |
| Consumer Cyclical | 9.10% |
| Consumer Non-Cyclical | 8.85% |
| Energy | 5.86% |
| Industry | 5.11% |
| Basic Industry | 3.69% |
| Property | 2.15% |
| Health | 1.58% |

Key Fund Facts

| | |
|---------------------------|---------------------|
| Fund Size (in bn IDR) | IDR 195.96 |
| 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 | 123,411,661.7103 |

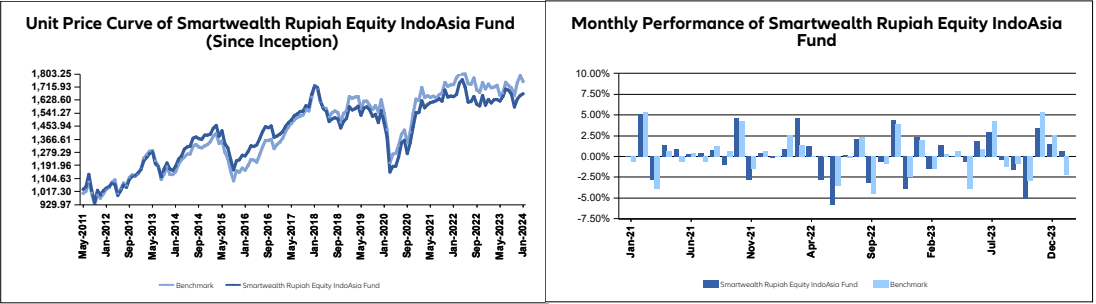
| Price per Unit | Bid | Offer |
|----------------------|--------------|--------------|
| (As of Jan 31, 2024) | IDR 1,587.85 | IDR 1,671.42 |

| | |
|------------|-------------------------------------|
| 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 | 0.71% | 5.60% | -1.82% | 2.34% | 8.15% | 5.52% | 0.71% | 67.14% |
| Benchmark* | -2.20% | 5.69% | 0.30% | 0.99% | 7.81% | 6.12% | -2.20% | 75.32% |

*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

Equities in the Pacific ex Japan region retreated modestly over January, weighed down by weak returns in China and Hong Kong. Elsewhere returns were mixed as investors awaited the results of the US Federal Reserve's (Fed) rate-setting meeting at the end of the month and its implications for US rates in 2024. Chinese equities fell sharply over January, extending the previous year's decline. The sell-off prompted the Chinese regulator to announce a limit on short selling in an attempt to restore confidence. China's premier Li Qiang called for "more forceful and effective measures", but the authorities' response continued to overwhelm. Additionally, the property sector's woes intensified, with developer Evergrande ordered to liquidate by a Hong Kong judge (Evergrande is listed in Hong Kong). Hong Kong stocks also retreated sharply. Australian stocks advanced modestly, with the ASX Index hitting a record high in the final days of the month. Inflation was slower than expected in the fourth quarter, coming in at 4.1% year-on-year (YoY) compared with 5.4% in the third quarter. Investors are expecting the Reserve Bank of Australia to keep rates on hold at its February meeting before lowering borrowing costs later this year. Stocks also made progress in Taiwan, helped by upbeat guidance from heavyweight chipmaker Taiwan Semiconductor Manufacturing. The ruling Democratic Progressive Party secured a third consecutive win in the country's presidential elections, stoking tensions with China which does not view Taiwan as an independent country. ASEAN markets were mixed. Malaysia and the Philippines moved higher, with Indonesia also posting slight gains. However, shares in Singapore and Thailand lost ground. Stocks in Thailand hit a three-year low towards month-end as sentiment continued to be dampened by political stalemate following the ending of a decade of military rule, as well as by disappointing economic growth.

Central Bureau Statistics of Indonesia (BPS) announced January 2024 inflation at +0.04% MoM (vs consensus inflation +0.27%, +0.41% in December 2023). On yearly basis, inflation was at +2.57% YoY (vs consensus inflation +2.53%, +2.61% in December 2023). Core inflation was printed at +1.68% YoY (vs consensus inflation +1.77%, +1.8% in December 2023). The lower inflation MoM was contributed by the lower price of food & beverage group and transportation. The BI Board of Governors agreed in their meeting on 16-17 January 2024 to hold the BI 7-Day Reverse Repo Rate at 6.00% and also held the Deposit Facility (DF) and Lending Facility (LF) rates at 5.25% and 6.75%, respectively. In total, Bank Indonesia had increased their benchmark rate by 250bps up to Dec 2023. The decision remains consistent with the pro-stability focus of monetary policy, namely to strengthen rupiah stabilization policy, and as a pre-emptive and forward-looking measure to maintain inflation within the 2.5%±1% target corridor in 2024.Rupiah weakening against USD by -2.36% from 15,439 at end of December 2023 to 15,803 at end of January 2024. The weakening Rupiah was impacted by the release of several U.S. macroeconomic data, which several macroeconomic data show stronger results, showing the U.S. economy is still solid. Investors are concerned that the space for aggressive rate cuts is getting narrower. Indonesia's trade balance recorded surplus amounting to USD +3,474mn in December 2023 vs previous month surplus USD +2,412mn in November 2023. The higher trade surplus was impacted by imports show slowing down in December 2023. Non-oil and gas trade balance in December 2023 recorded surplus USD +5,201mn, which was higher than the previous month that recorded trade surplus amounting to USD +4,618mn in November 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,893mn in December 2023, which was lower than the deficit in November 2023 amounting to USD -2,206mn. Indonesia's economy grew by +5.04% yoy in 4Q 2023 (vs. previous 4.94%, consensus +5%) and 0.45% QoQ (vs previous 1.60%, consensus 0.4%). In terms of expenditure side, the main contributor to the growth was reaccelerating Government spending and growth of Non-profit Institution Consumption, which grew by +2.81% yoy and +18.11% yoy, with the highest growth coming from the rebound was driven by accelerating expenditures from the government at the end of 2023 which were heavily related to higher expenditures for the 2024 general election, official travels, and social assistance. The consumption and investment side grew moderately, growing only +4.47% yoy and +5.02% yoy. Indonesia's official reserve assets position amassed USD 145.1 billion as of the end of January 2024, decrease from USD 146.4 billion as of December 2023. The decrease was impacted by the maturing government's external debt repayments.

The JCI ended the month lower at 7,207.94 (-0.89% MoM). Market laggards were BREN, CUAN, ASII, BRPT, and AMRT as they fell -33.78%, -51.02%, -9.29%, -20.30%, and -9.56% MoM respectively. Global equities performance was mixed in January as recent data showed continuous supportive in U.S. inflation print while China economy continued to disappoint market expectations with the property market remains a drag. Domestically in Indonesia, the JCI ended the month lower (-0.89% MoM) driven by weakness in IDR as market starting to remove March Fed rate cut expectation post the strong US macro data. Sector wise, the Technology Sector was the worst performing sector during the month, declining -6.93% MoM. Ticker wise, GLVA (Galva Technology) and EDGE (Indointernet) were the laggards, depreciating -28.92% and -25.74% MoM respectively. This was followed by the Healthcare Sector which dropped -4.33% MoM. Ticker wise, MMIX (Multi Medika International) and IRRA (Itama Ranoraya) posted -39.50% and -36.88% MoM losses respectively. On the other hand, the best sector during the month was the Consumer Cyclical Sector, which recorded a gain of +4.37% MoM. Ticker wise, SHID (Hotel Sahid Jaya) and FORU (Fortune Indonesia) were the movers which rose +236.92% and +171.11% MoM respectively.

About Allianz Indonesia

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