

## Fund Fact Sheet

# SMARTWEALTH US DOLLAR EQUITY INDOASIA CLASS B FUND

## July 2022

## BLOOMBERG: AZUSIAB 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 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.

## Portfolio Breakdown

Equity	95.15%
Money Market	4.85%

## Top 10 Holdings

(in Alphabetical Order)  
 Astra International  
 Bank Central Asia  
 Bank Jago Tbk  
 Bank Mandiri Persero  
 Bank Rakyat Indonesia  
 Bukalapak.Com  
 Indofood CBP Sukses Makmur  
 Merdeka Copper Gold  
 Telekomunikasi Indonesia  
 Tower Bersama Infrastruk

## Industry Sector

Finance	28.43%
Infrastructure	19.32%
Technology	12.38%
Basic Industry	9.90%
Industry	8.47%
Consumer Cyclical	6.74%
Consumer Non-Cyclical	5.09%
Energy	4.36%
Health	2.48%
Funds	2.26%
Property	0.56%

## Key Fund Facts

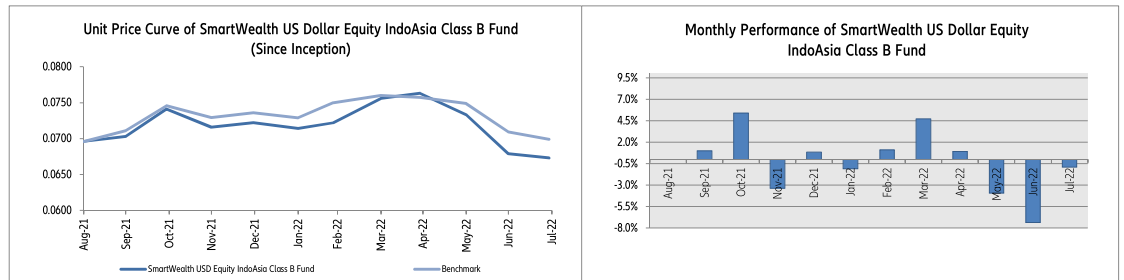
Fund Size (in mn USD)	USD 2.80
Risk Profile	Aggressive
Launch Date	Sep 01, 2021
Fund Currency	United States Dollar
Pricing Frequency	Daily
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia

Price per Unit	
(As of Jul 29, 2022)	USD 0.0673

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
SmartWealth US Dollar Equity IndoAsia Class B	-0.88%	-11.80%	-5.74%	N/A	N/A	N/A	-6.79%	-3.30%
Benchmark*	-1.44%	-7.67%	-6.78%	N/A	N/A	N/A	-5.02%	0.44%

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



## Manager Commentary

On balance, equity markets in the Asia Pacific ex Japan advanced modestly over July, boosted by hopes that slowing global growth would reduce inflationary pressures and lessen the need for aggressive rate rises. Most markets in the region rallied, but overall regional returns were dampened by declines in China and Hong Kong. Chinese equities slumped over July, reversing June's strong gains. The weakness was due in part to regulatory uncertainty among tech companies. COVID-19 infection levels also started to increase once more, leading to frequent mass testing that sparked fears that lockdowns may be reimposed. In the latest sign of distress in the real estate sector, the authorities were forced to intervene to head off a rebellion by home buyers as an increasing number have halted mortgage payments on unfinished property developments. Stocks also declined in Hong Kong. Elsewhere, South Korea was one of the strongest markets, helped by a rebound in tech stocks. The economy grew by a stronger-than-expected 0.7% in the second quarter and inflation increased to a 23-year high of 6.0% in June. During July, the Bank of Korea raised interest rates by 50 basis points (bps) to 2.25%, the largest increase since the bank adopted interest rates as its primary policy tool in 1999. Australian shares also rallied, boosted by the better tone to global stocks. The Reserve Bank of Australia implemented a 50-bps hike as inflation climbed to a 21-year high in the second quarter. Taiwan stocks posted solid gains. Taiwan's GDP contracted over the second quarter amid a resurgence in coronavirus infections, both domestically and in mainland China, which caused major disruptions to supply chains and hurt demand for Taiwan exports. ASEAN markets appreciated. Singapore led the rally, while Thailand posted the smallest gains. The Monetary Authority of Singapore unexpectedly tightened monetary policy in July, its second surprise move this year, as inflation climbed to 6.7% in June, its highest level since 2008. After raising rates by 25 bps in June, the central bank of the Philippines enacted a surprise 75-bps hike in July, taking rates to 3.25%.

Central Bureau Statistics of Indonesia (BPS) announced July 2022 inflation +0.64% mom (vs consensus inflation +0.53%, +0.61% in June 2022). On yearly basis, inflation was +4.94% yoy (vs consensus inflation +4.82%, +4.35% in June 2022). Core inflation was printed at +2.86% yoy (vs consensus inflation +2.86%, +2.63% in June 2022). The higher of yearly inflation was impacted by the energy inflation, which was impacted by the global crisis, as well as food inflation which was impacted by the seasonal condition. The BI Board of Governors agreed on 20-21 July 2022 to hold the BI 7-Day Reverse Repo Rate at 3.50%, and hold the Deposit Facility (DF) and Lending Facility (LF) rates at 2.75% and 4.25%, respectively. This policy is in line to support the Indonesia's economic growth amid global economic slowdown. Rupiah appreciated against USD by +0.55% from 14,956 at end of June 2022 to 14,874 at end of July 2022. Indonesia's trade balance recorded surplus amounting to USD +5,089mn in June 2022 vs previous month surplus USD +2,895mn in May 2022. Higher trade surplus was supported by the increment of CPO oil export after the export ban was lifted. Non-oil and gas trade balance in June 2022 recorded surplus USD +7,229mn, which was lower than the previous month that recorded trade surplus amounting to USD +4,753mn in June 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -2,140mn in June 2022, which was higher than the deficit in May 2022 amounting to USD -1,858mn. Indonesia's economy grew by +5.44% YoY in Q2 2022 (vs previous 5.01%, consensus +5.17%), and +3.72% qoq (vs previous -0.96%, consensus +3.44%). In term of expenditure side, the main contributor of the growth was from Components of Export of Goods and Services grew by +19.74% yoy, and followed by the growth of household consumption grew +5.51% yoy which was contributed to GDP by +51.47% of Total GDP. The investment side grew on moderate level which grew only +3.07% yoy. Indonesia's official foreign reserve in the end of July 2022 was at USD 132.2bn, slightly lower than June 2022 number at USD 136.4bn due to government debt payment and to stabilize the Rupiah exchange rate in line with the global financial market uncertainty.

The JCI ended the month higher at 6,951.12 (+0.57% MoM). Market movers were BBRI, TLKM, BMRI, UNTR, and ARTO as they rose 5.06%, 5.75%, 4.42%, 13.73%, and 15.57% MoM respectively. Global stock markets rebounded in July despite continued monthly inflation surprise as recent pullback in the commodities as well as improvements in the global supply chain side resulted in investors taking a view that inflation may be peaking soon. During the Fed meeting in July, The Fed raised its FFR rate by 75 bps and mentioned that it will likely become appropriate to slow down the pace of increases while it assesses how the monetary tightening is affecting the economy and inflation. In Addition, the Fed also reassured the market that it does not think that the US economy is in recession, given the strong labor market. All these factors improved investors sentiment towards the global equity market in July. Moving on to Indonesia, Indonesia equity markets underperformed its developed market peers in July as combination of higher inflation, currency weakening triggered foreign outflows out of the Indonesia equity market. On the valuation front, the JCI currently trades at 2022 earnings multiple of 16.2x, which is slightly below its mean but considering low foreign investors positioning combined with improving economic activity, we believe investors' appetite in Indonesian stocks will continue to improve in the longer run. However, we can't rule out that recession risk could pressure commodity price which in turn would Indonesia's fiscal balance vulnerable. Sector wise, the Energy Sector was the best performing sector during the month, gaining 13.40% MoM. Ticker wise, RAJA (Rukun Raharja) and BIPI (Astrindo Nusantara) were the movers, appreciating 174.29% and 87.83% MoM respectively. This was followed by the Industrials Sector which rallied 8.10% MoM. Ticker wise, CAKK (Cahayaputra Asa Keramik) and BMTR (Global Mediacom) posted 128.87% and 39.04% MoM gains respectively. On the other hand, the worst sector during the month was the Healthcare Sector, which recorded a decline of 4.37% MoM. Ticker wise, SIDO (Industri Jamu dan Farmasi Sido) and MIKA (Mitra Keluarga) were the laggards which fell 9.50% and 9.45% MoM respectively.

## About Allianz Indonesia

PT Asuransi Allianz Life Indonesia is a financial service institution registered and supervised by the Otoritas Jasa Keuangan (OJK) according to POJK 6/2022 which 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

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