

Smartwealth Rupiah Equity IndoAsia Fund

July 2023

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		5.14%
Best Month	Oct-11	8.45%
Worst Month	Mar-20	-16.90%

Portfolio Breakdown

Equity	96.07%
Money Market	3.93%

Top 10 Holding

(in Alphabetical Order)

- Astra International
 - Bank Central Asia
 - Bank Mandiri Persero
 - Bank Rakyat Indonesia
 - Bukalapak.Com
 - Ciputra Development
 - Indofood CBP Sukses Makmur
 - Merdeka Battery Materials Tbk
 - Merdeka Copper Gold Tbk
 - Telekomunikasi Indonesia
- *there is no investment on related parties

Industry Sector

Finance	30.49%
Infrastructure	16.69%
Consumer Non-Cyclical	13.24%
Technology	11.49%
Industry	7.82%
Basic Industry	7.24%
Consumer Cyclical	4.67%
Property	3.11%
Energy	2.74%
Health	2.52%

Key Fund Facts

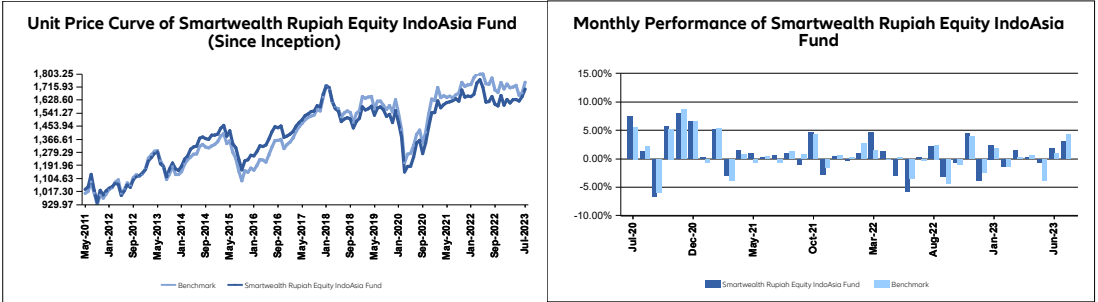
Fund Size (in bn IDR)	IDR 251.09
Risk Level	Aggressive
Launch Date	05 May 2011
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	155,256,950.5745

Price per Unit	Bid	Offer
(As of Jul 31, 2023)	IDR 1,617.28	IDR 1,702.40
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	3.03%	4.25%	4.23%	5.14%	26.86%	13.31%	6.73%	70.24%
Benchmark*	4.27%	1.18%	0.69%	0.77%	24.88%	13.23%	2.59%	74.80%

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

(New benchmark assessment as of May 2012; previously: Jakarta Composite Index (JCI))



Manager Commentary

Asia ex Japan equities advanced over July. Despite further evidence of a slowdown in China’s economy, sentiment was lifted by hopes of further stimulus measures from the Chinese authorities. Speculation that US interest rates may have peaked, and the US economy may experience a soft landing, also helped. After easing for much of the month, a late-month rally meant Chinese stocks closed July sharply higher. The improvement was driven by growing optimism over further support measures from the Chinese authorities, with the Politburo pledging to step up policy measures to boost growth as the country’s economic momentum continued to wane. Additionally, China’s housing and urban development minister admitted the property sector needs more effective measures such as lower home mortgage rates and down-payment ratios for first-time home buyers to boost home purchases. Hong Kong shares advanced but lagged the rally in mainland China. Australian shares rose over the month. After two unexpected rate hikes, the Reserve Bank of Australia (RBA) kept interest rates on hold at 4.1% in July, saying it wanted to assess the impact of previous hikes on the economy. Australia’s monthly Consumer Price Index rose 5.4% year-on-year (YoY) in June, signalling that inflation pressures were the lowest since February 2022. The tech-heavy markets of Taiwan and South Korea also gained, although semiconductor stocks were held back by news that TSMC had lowered its outlook for 2023, saying that enthusiasm over artificial intelligence may not compensate for slowing demand. ASEAN markets moved higher, buoyed by signs of easing inflationary pressures and the prospect of further stimulus from the Chinese authorities. All markets advanced, with Malaysia and Singapore the strongest. In Singapore, GDP grew by 0.7% YoY in the second quarter, accelerating from a 0.4% growth rate in the first quarter.

Central Bureau Statistics of Indonesia (BPS) announced July 2023 inflation at +0.21% MoM (vs consensus inflation +0.22%, +0.14% in June 2023). On yearly basis, inflation was at +3.08% YoY (vs consensus inflation +3.10%, +3.52% in June 2023). Core inflation was printed at +2.43% YoY (vs consensus inflation +2.52%, +2.58% in June 2023). The higher inflation MoM was contributed by the higher price of transportation group, education group and health group. The BI Board of Governors agreed on 24-25 July 2023 to hold the BI 7-Day Reverse Repo Rate at 5.75% and also hold the Deposit Facility (DF) 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. The decision is consistent with the monetary policy stance of managing inflation under 3.0% this year and 2.5% in 2024. The policy concentrate on rupiah stability in order to manage imported inflation and limit the spreading effect of global financial market uncertainties. Rupiah weakening against USD by -0.61% from 15,000 at end of June 2023 to 15,092 at end of July 2023. The weakening of Rupiah was impacted by the release of U.S economic data that increase the probability of hawkish stance of The Fed for next meeting. Indonesia’s trade balance recorded surplus amounting to USD +3,455mn in June 2023 vs previous month surplus USD +427mn in May 2023. The higher trade surplus was impacted by imports fell deeper than export. Non-oil and gas trade balance in June 2023 recorded surplus USD +4,416mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,253mn in May 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,006mn in June 2023, which was lower than the deficit in Mei 2023 amounting to USD -1,826mn. Indonesia’s economy grew by +5.17% yoy in 2Q 2023 (vs. previous 5.03%, consensus +5%) and 3.86% qoq (vs previous -0.9%, consensus 3.7%). In terms of expenditure side, the main contributor to the growth was household consumption which grew by +5.23% yoy, with the highest growth coming from Transportation and Storage sector. The investment side grew at a moderate level which grew only +4.63% yoy, while the growth of government expenditure by +10.62% yoy was supported by the realization of government spending. Indonesia’s official reserve assets position amassed USD 137.7 billion as of the end of July 2023, increase from USD 137.5 billion as of June 2023. The increase was impacted by tax and service receipts.

The JCI ended the month higher at 6,931.36 (+4.05% MoM). Market movers were BYAN, BMRI, AMMN, BBRI and UNTR as they rose +28.06%, +10.10%, +65.78%, +4.15%, and +18.26% MoM respectively. Global equities rally continued further in July as latest data suggest that global disinflation is continuing, and the US could possibly avoid recession while successfully addressing its rising consumer prices issues. Domestically in Indonesia, the JCI also posted strong gains in July, gaining by +4.05% MoM vs June. This was driven by combination of: 1) a relatively better and stable macro environment and 2) supportive recent 2Q banking results that demonstrated Indonesia’s domestic economy resiliency. Sector wise, the Energy Sector was the best performing sector during the month, gaining +10.71% MoM. Ticker wise, MAHA (Mandiri Herindo Adiperkasa) and CUAN (Petrindo Jaya Kreasi) were the movers, appreciating +132.20% and +105.92% MoM respectively. This was followed by the Basic Materials Sector which rallied +10.19% MoM. Ticker wise, ALKA (Alkasa Industrindo) and AMMN (Amman Mineral) posted +143.02% and +65.78% MoM gains respectively. On the other hand, the worst sector during the month was the Technology Sector, which recorded a decline of -1.73% MoM. Ticker wise, JATI (Informasi Teknologi) and DIVA (Distribusi Voucher Nusantara) were the laggards which fell -41.25% and -34.86% MoM respectively.

About Allianz Indonesia

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