

Smartwealth Rupiah Equity IndoAsia Fund

September 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		4.12%
Best Month	Oct-11	8.45%
Worst Month	Mar-20	-16.90%

Portfolio Breakdown

Equity	95.77%
Money Market	4.23%

Top 10 Holding

(in Alphabetical Order)

- Adaro Minerals Indo Tbk
- Astra International
- Bank Central Asia
- Bank Mandiri Persero
- Bank Negara Indonesia
- Bank Rakyat Indonesia
- Bukalapak.Com
- Indofood CBP Sukses Makmur
- Merdeka Copper Gold Tbk
- Telekomunikasi Indonesia
- *there is no investment on related parties

Industry Sector

Finance	28.99%
Infrastructure	14.71%
Technology	12.36%
Consumer Non-Cyclical	10.75%
Consumer Cyclical	9.10%
Industry	7.72%
Basic Industry	6.24%
Energy	5.71%
Health	2.70%
Property	1.72%

Key Fund Facts

Fund Size (in bn IDR)	IDR 228.91
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	144,541,877.9934

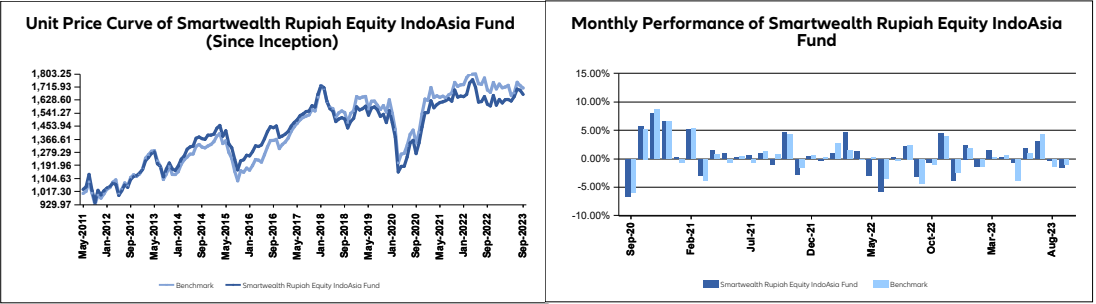
Price per Unit	Bid	Offer
(As of Sep 29, 2023)	IDR 1,583.68	IDR 1,667.03

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
Smartwealth Rupiah Equity IndoAsia Fund	-1.65%	0.89%	2.13%	4.12%	31.15%	10.96%	4.52%	66.70%
Benchmark*	-0.92%	1.99%	-0.39%	0.76%	27.33%	10.61%	0.35%	70.97%

*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

Asia ex Japan equities slid as sentiment was knocked by worries that US rates would stay higher for longer. Stocks in Greater China were among the weakest performers. A stronger tone to the US dollar also weighed on returns in USD terms. Chinese equities declined over September. While economic data remained weak, it showed a modest improvement compared with recent months. In addition, there was growing optimism that a series of stimulus measures from Beijing could bolster China's economic recovery. The People's Bank of China maintained its key rate, the one-year loan prime rate, at 3.45% but reduced banks' reserve requirement ratio by 25 basis points (bps). The Chinese central bank also said it would step up policy adjustments and implement monetary policy in a "precise and forceful" manner to support the economy. Australian shares retreated over the month. The Reserve Bank of Australia kept rates on hold at 4.1%, but emphasized that, while inflation may have passed its peak, it remains too high and further monetary tightening may be needed. The tech-heavy markets of Taiwan and South Korea also fell, with semiconductor stocks negatively affected by news that TSMC had warned that the recent boom in artificial intelligence interest was not sufficient to offset a broader slowdown in demand. Hong Kong shares fell sharply, as the problems at real estate developers intensified. ASEAN markets mostly lost ground, although returns in the Philippines and Singapore were positive. While central banks mostly kept rates on hold, Thailand's central bank unexpectedly raised its key interest rate by 25 bps to 2.50% during its September 2023 meeting, pushing borrowing costs to the highest level since late 2013.

Central Bureau Statistics of Indonesia (BPS) announced September 2023 inflation at +0.19% MoM (vs consensus inflation +0.12%, -0.02% in August 2023). On yearly basis, inflation was at +2.28% YoY (vs consensus inflation +2.20%, +3.27% in August 2023). Core inflation was printed at +2.00% YoY (vs consensus inflation +2.06%, +2.18% in August 2023). The higher inflation MoM was contributed by the higher price of food, beverage, tobacco group, and clothing group. The BI Board of Governors agreed on 20-21 September 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 weakened against USD by -1.64% from 15,237 at end of August 2023 to 15,487 at end of September 2023. The weakened of Rupiah was impacted by hawkish statement from Jerome Powell and many Fed official that stated the Fed still need hike rate until the Fed get assurance that inflationary path to inflation target of 2% without causing damage to US economy. Indonesia's trade balance recorded surplus amounting to USD +3,124mn in August 2023 vs previous month surplus USD +1,292mn in July 2023. The higher trade surplus was impacted by import fell deeper and export. Non-oil and gas trade balance in August 2023 recorded surplus USD +4,468mn, which was higher than the previous month that recorded trade surplus amounting to USD +3.197mn in July 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,343mn in August 2023, which was lower than the deficit in July 2023 amounting to USD -1,905mn. Indonesia's official reserve assets position amassed USD 134.9 billion as of the end of September 2023, decrease from USD 137.1 billion as of August 2023. The decrease was impacted by the government's external debt repayments and the need for Rupiah stabilization.

The JCI ended the month lower at 6,939.89 (-0.19 % MoM). Market laggards were BBRI, GOTO, BBCA, MDKA, and ASII as they fell -5.86%, -11.46%, -3.81%, -14.79% and -3.49% MoM respectively. Global equities corrected further in September as market begins pricing in lesser interest rate cut by the Fed in 2024 on the back of recent hawkish statement by the Fed officials. This is also apparent in the US 10Y bond yield, which has risen by 47bps MoM to 4.58% in September. Domestically in Indonesia, the JCI posted only a slight negative return in September as the country offers more stable macro environment, in which the inflation is well contained at 3.3% as of August and less pressure for Bank of Indonesia to do further monetary tightening. Sector wise, the Properties and Real Estate Sector was the worst performing sector during the month, declining -4.41% MoM. Ticker wise, MPRO (Maha Properti Indonesia) and TARA (Agung Semesta Sejahtera) were the laggards, depreciating -55.10% and -16.67% MoM respectively. This was followed by the Consumer Cyclical Sector which dropped -3.98% MoM. Ticker wise, MKNT (Mitra Komunikasi Nusantara) and SHID (Hotel Sahid Jaya) posted -66.67% and -42.90% MoM losses respectively. On the other hand, the best sector during the month was the Basic Material Sector, which recorded a gain of +8.44% MoM. Ticker wise, BMSR (Bintang Mitra Semestara) and SULI (Sumalindo Lestari Jaya) were the movers which rose +38.93% and +38.58% MoM respectively.

About Allianz Indonesia

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