

# AVA BALANCED PLUS FUND JANUARY 2024



## PROFILE

**PT ASURANSI JIWA ASTRA** is a life insurance company with ownership of PT Astra International Tbk, PT Sedaya Multi Investama dan Koperasi Astra International. PT Asuransi Jiwa Astra offers a variety of products to meet the needs of Indonesians from various levels of life and market segments, both for individual customers in the form of life, health, accident, life insurance related to investment (unit link), sharia life insurance and employee benefit group business and pension fund (DPLK). As per 31 December 2022, the Risk Based Capital ratio of PT Asuransi Jiwa Astra reached 291% with unit link fund assets and pension fund assets amounted to Rp 5.01 trillion and Rp 4.06 trillion respectively.

## INVESTMENT OBJECTIVE

To achieve long-term return through a combination of income and capital growth.

## ASSET ALLOCATION

Money Market Instruments	1.57%
Bond Mutual Funds	48.15%
Equity Mutual Funds	50.28%

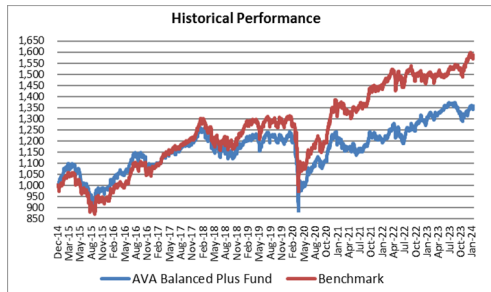
## TOP HOLDINGS

- Ashmore Dana Obligasi Nusantara
- Schroder Dana Mantap Plus II
- Schroder Dana Prestasi

## UNIT PRICE

1,356.96

## PORTFOLIO PERFORMANCE



## Monthly Performance :

Feb-23	: 0.70%	Aug-23	: 0.15%
Mar-23	: 0.58%	Sep-23	: -2.72%
Apr-23	: 0.76%	Oct-23	: -2.74%
May-23	: 0.71%	Nov-23	: 2.56%
Jun-23	: 1.13%	Dec-23	: 1.49%
Jul-23	: 1.07%	Jan-24	: 0.55%

## Annual Performance :

2023	2022	2021	2020	2019
4.44%	7.02%	-0.33%	-1.02%	3.49%

## MARKET UPDATE

JCI declined by 0.89% in January. In early 2024, the JCI exhibited stability, contrary to the expectations of a January Effect that many investors anticipated. While global major indexes, especially in developed countries, reached unprecedented highs, the JCI remained relatively stagnant. Two factors contribute to the subdued state of the domestic equity market: a preference for higher flows into developed market equities due to anticipated changes in monetary policy and concerns about political risks associated with the upcoming Indonesian election. During the January FOMC meeting, the Federal Reserve unanimously opted for the fourth consecutive time to maintain the benchmark Federal Funds Rate (FFR) at 5.5%. While acknowledging a positive economic environment, the Fed underscored the necessity for additional evidence of a sustained decline in inflation. Conversely, the domestic market is preoccupied with election-related news, creating a degree of uncertainty for investors. Nevertheless, we view this political risk as temporary and advocate for a longer-term perspective, considering Indonesia's potential for a brighter future under a new government. Additionally, Bank Indonesia is likely to reduce the banking reserve requirement, stimulating banks' loan growth as a precursor to a potential benchmark rate cut later in the second semester of this year, following the example of the US FFR cuts. Sectors that appear favorable in our portfolio include banking, consumer goods, retail, and property, aligning with anticipated macroeconomic conditions. Following a robust rally in December 2023, there was an increase in US Treasury yields during January 2024. This could potentially be attributed to differing market perspectives on the timing of a Federal Funds Rate (FFR) reduction. During the January FOMC meeting, the Fed unanimously decided for the fourth consecutive time to maintain the benchmark Federal Funds Rate (FFR) at 5.5%. While acknowledging a favorable economic environment, the Fed emphasized the need for further evidence of sustained inflation decline. Despite this cautious stance, the committee judges the risks to achieving its employment and inflation goals are moving into better balance. This indicates the Fed's statement striking a delicate equilibrium by shedding the hiking bias while affirming a reluctance to ease imminently. Consequently, a FFR cut is unlikely in the March meeting, with a more probable occurrence in the middle of the year. The INDOGB yield fluctuated within a narrow band of 6.50% to 6.7% in January 2024. Despite the prevailing stability in the overall economic conditions, the government is actively pursuing a front-loading strategy for bond issuance. While there is an anticipation of reduced bond yields following the expected Bank Indonesia (BI) rate cut in the second half of 2024, there is a concurrent concern about potential increased yield volatility. Therefore, to effectively minimize overall risks, the government must capitalize on the existing positive momentum to issue INDOGB, especially given the current narrow yield spread between the US Treasury yield and INDOGB yield around 200 - 250 basis points. Based on DMO bond flow data as of Jan 31, 2024, Foreign ownership recorded at 14.76% of the total outstanding and outflow of Rp0.17tn YTD.

## INVESTMENT RETURN

	1 Month	3 Months	6 Months	YTD	1 Year	3 Years	5 Years	Since Inception
AVA Balanced Plus Fund	0.55%	4.66%	-0.83%	0.55%	4.16%	14.76%	12.10%	35.70%
Benchmark *	-0.35%	5.38%	3.18%	-0.35%	5.82%	20.65%	23.17%	58.16%

\* 60% JCI (Jakarta Composite Index) + 32% IBPA Government Bond Index + 8% JIBOR (Jakarta Interbank Offered Rate) since 01 Mei 2016 previously 60% JCI (Jakarta Composite Index) + 32% HSBC Local Bond Index + 8% JIBOR (Jakarta Interbank Offered Rate)

## OTHER INFORMATION

Launching Date	: 01 December 2014	Valuation Method	: Daily
Currency	: IDR	Bloomberg Ticker	: AALABAP
Managed by	: PT Asuransi Jiwa Astra	Switching Fee	: Rp 100,000 after the 4th switching per year
Custodian Bank	: DBS	Management Fee	: Max 3.00% p.a.
Asset Under Management	: IDR 10 Billion	Risk Category	: High
Outstanding Unit	: 8,094,922.6126		

## Disclaimer

AVA Balanced Plus Fund is a unit-linked fund offered by PT Asuransi Jiwa Astra. This report has been prepared by PT Asuransi Jiwa Astra for informational purpose only. This report is not a solicitation to buy or to sell. All relevant things have been considered to make sure the report is correct, but there is no guarantee that the information is accurate and complete. PT Asuransi Jiwa Astra shall assume no liability for any loss arising from reliance on it. *Past performance does not reflect future performance.* The unit price may rise as well as fall and as such performance cannot be uncertain. Potential investor should consult their financial consultant before investing.