

# Smartwealth US Dollar Equity IndoAsia Fund

March 2023

**BLOOMBERG: AZUSIAS 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		-6.39%
Best Month	Oct-11	8.45%
Worst Month	Mar-20	-16.90%

**Portfolio Breakdown**

Equity	94.71%
Money Market	5.29%

**Top 10 Holding**

(in Alphabetical Order)

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

**Industry Sector**

Finance	31.74%
Infrastructure	17.49%
Consumer Non-Cyclical	12.67%
Technology	12.57%
Industry	8.02%
Basic Industry	6.49%
Consumer Cyclical	3.60%
Health	3.42%
Energy	3.26%
Property	0.74%

**Key Fund Facts**

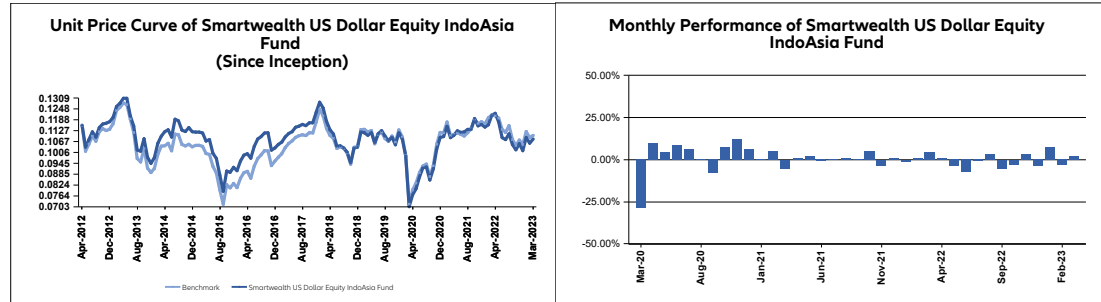
Fund Size (in mio USD)	USD 18.34
Risk Level	Aggressive
Launch Date	01 May 2012
Fund Currency	United States Dollar
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia

Price per Unit	Bid	Offer
(As of Mar 31, 2023)	USD 0.1027	USD 0.1081

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 US Dollar Equity IndoAsia Fund	2.17%	6.40%	2.95%	-10.96%	53.77%	-8.39%	6.40%	-6.65%
Benchmark*	1.11%	4.80%	2.15%	-9.42%	53.58%	-3.37%	4.80%	-4.89%

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


**Manager Commentary**

Asia Pacific ex Japan equities ended the month slightly higher. Shares fell sharply when the failure of two US niche lenders morphed into fears over the stability of the global financial system. However, confidence returned towards the month-end and sentiment was also lifted by speculation that Western central banks were nearing their terminal interest rates. The MSCI China Index rose over March, helped by the ongoing economic recovery from China's zero-COVID policy. At the National People's Congress, President Xi Jinping cemented his influence by appointing loyalists to senior jobs. Party officials also set a target of "around 5%" for 2023 GDP growth. In other news, Alibaba announced a major restructuring plan that will split the company into six units (cloud computing, e-commerce, local services, logistics, digital commerce and media). In general, each unit will be able to raise outside funding and go public, although Taobao and Tmall, Alibaba's e-commerce platforms, will remain wholly owned by the company. Elsewhere, the tech-heavy markets of Taiwan and South Korea posted solid gains as growth-focused shares benefited from hopes that the US may start to cut rates later in 2023. Meanwhile, Australian stocks ended the month flat. The Reserve Bank of Australia hiked rates by 25 basis points, taking borrowing costs to a 10-year high of 3.6%, but signaled it had paused its hiking cycle for now as it assesses the outlook for the economy. ASEAN markets were mixed but mostly ended the period higher, recovering from earlier losses in the month. Singapore and the Philippines delivered the strongest gains, with Indonesia and Thailand also advancing modestly. In contrast, Malaysian stocks end the month slightly lower.

Central Bureau Statistics of Indonesia (BPS) announced Mar 2023 inflation at +0.18% mom (vs consensus inflation +0.28%, +0.16% in Feb 2023). On yearly basis, inflation was at +4.97% yoy (vs consensus inflation +5.12%, +5.47% in Feb 2023). Core inflation was printed at +2.94% yoy (vs consensus inflation +3.03%, +3.09% in Feb 2023). The lower inflation was contributed by the lower core inflation and inflation of volatile food group. The BI Board of Governors agreed on 15-16 Mar 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. This decision for this policy is as front loaded, pre-emptive and forward-looking movement to lower the expectation inflation and to ensure the core inflation back to their target level at 3±1% on 1H 2023. Mr Perry Warjiyo mentioned that the latest rate hike was sufficient to bring the inflation back to their target. Rupiah appreciation against USD by +1.73% from 15,240 at end of February 2023 to 14,977 at end of March 2023. The appreciation of Rupiah was impacted by inflow of foreign investor from Indonesia's bond market and the FED start to slowing down hike FED's Fund Rate. Indonesia's trade balance recorded surplus amounting to USD +5,480mn in Feb 2023 vs previous month surplus USD +3,870mn in Jan 2023. The higher trade surplus was impacted the increment of O&G export by +19% YoY in Feb 2023. Non-oil and gas trade balance in Feb 2023 recorded surplus USD +6,697mn, which was higher than the previous month that recorded trade surplus amounting to USD +5,289mn in Jan 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,220mn in Feb 2023, which was lower than the deficit in Jan 2023 amounting to USD -1,419mn. Indonesia's official reserve assets position amassed USD 145.2billion as of end March 2023, increased from USD 140.3billion as of end February 2023. The increment was impacted by the issuance of government foreign loan withdrawal as well as tax & service receipts.

The JCI ended the month lower at 6,805.28 (-0.55% MoM). Market laggards were GOTO, MDKA, BRPT, SMGR and TOWR as they fell -7.63%, -7.71%, -11.76%, -12.80%, and -11.90% MoM respectively. Global equities posted strong rebound in March as recent Silicon Valley Bank (SVB) and Credit Suisse (CS) collapse resulted in market pricing in less aggressive Fed guidance going forward. The FOMC hiked rates 25bps to 4.75-5% in March as expected but latest Fed statement suggest a more dovish tone with consensus expecting the Fed to start its rate-cut plan as soon as late 2023 following the recent stress development in the US banking system. Domestically in Indonesia the JCI lagged its peers in March as current slowdown in the developed market economic growth is putting pressure towards energy and metals prices, which Indonesia has been benefiting from. Sector wise, the Transportation and Logistic Sector was the worst performing sector during the month, declining 7.58% MoM. Ticker wise, ASSA (Adi Sarana Armada) and TNCA (Trimuda Nuansa Citra) were the laggards, depreciating 25.62% and 24.00% MoM respectively. This was followed by the Technology Sector which dropped 5.29% MoM. Ticker wise, TECH (Indosterting) and AXIO (Tera Data Indonusa) posted 33.33% and 29.89% MoM losses respectively. On the other hand, the best sector during the month was the Energy Sector, which recorded a gain of 0.12% MoM. Ticker wise, CUAN (Petrindo Jaya Kreasi) and PTIS (Indo Straits) were the movers which rose 270.45% and 143.75% MoM respectively.

**About Allianz Indonesia**

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