

SMARTWEALTH US DOLLAR EQUITY INDOASIA FUND

May 2021

BLOOMBERG: AZUSIAS:IJ

Investment Objective

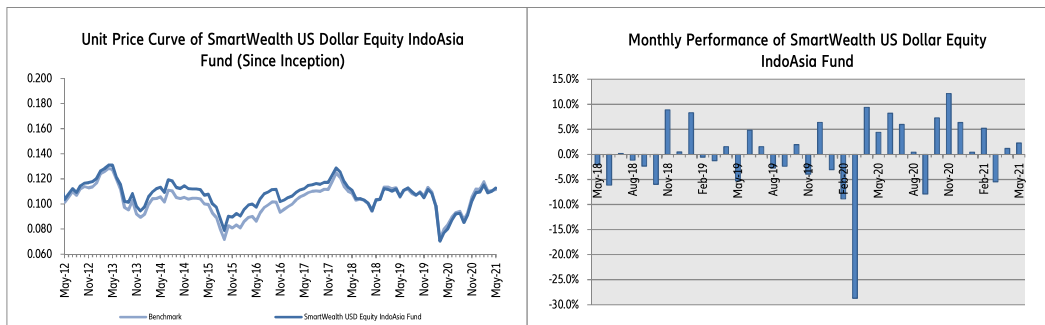
The objective of this fund is to provide maximum long term investment yield.

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth US Dollar Equity IndoAsia	2.27%	-2.17%	9.95%	40.35%	1.62%	3.39%	-2.68%
Benchmark*	0.77%	-5.22%	5.97%	33.59%	2.75%	-0.29%	-3.72%

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

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. This fund is a conversion of the Smartwealth IndoAsia Equity Fund (IDR). The unit price for the USD is calculated using the Bank Indonesia's middle rate.



Return Performance

Last 1-year period		40.35%
Best Month	Oct-15	14.32%
Worst Month	Mar-20	-28.70%

Portfolio Breakdown

Equity	90.55%
Mutual Fund - ETF	1.65%
Cash/Deposit	7.80%

Top Five Stocks Holding

Bank Central Asia	9.12%
Bank Rakyat Indonesia	6.28%
Bank Jago	4.34%
Telekomunikasi Indonesia	4.20%
Elang Mahkota Teknologi	4.03%

Country Breakdown (Stock)

Indonesia	75.19%
Philippines	0.00%
Hongkong	10.06%
South Korea	2.52%
Malaysia	0.00%
Singapore	0.06%
Taiwan	2.71%
Thailand	0.00%

Key Fund Facts

Fund Size (in mn USD)	USD 33.97
Risk Profile	Aggressive
Launch Date	01 May 2012
Fund Currency	United States Dollar
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia

Manager Commentary

The Asian market had an overall return of 2.50% for the month of May. The top performers for the month were the Philippines (+5.63%) and Australia (+3.25%). The bottom performers for the region were Malaysia (-1.89%) and Japan (-1.57%). The Philippines was a top performer led by the consumer discretionary and industrials sectors. Australia was a top performer led by the financials and consumer staples sectors. Malaysia was a bottom performer due to a lagging performance in the healthcare and energy sectors. Japan was a bottom performer due to a lagging performance in the communication services and utilities sectors.

Central Bureau Statistics of Indonesia (BPS) announced May 2021 inflation at +0.32% mom (vs consensus inflation +0.29%, +0.13% on April 2021). On yearly basis, inflation was +1.68% yoy (vs consensus inflation +1.67%, +1.42% on April 2021). Core inflation was printed at +1.37% yoy (vs consensus inflation +1.30%, +1.18% on April 2021). The May inflation was improved which was affected by the higher core inflation due to higher global gold price, and the higher inflation on administered price group which was caused by the higher transportation cost on the Idul Fitri Season. The BI Board of Governors agreed on 24-25 May 2021 to hold the BI 7-Day Reverse Repo Rate to be 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates to be 2.75% and 4.25%, respectively. This policy is to maintain Rupiah stability in the middle of global uncertainty and also the lower inflation. Rupiah appreciated against USD by +1.12% from 14,453 at end of April 2021 to 14,292 at end of May 2021. Indonesia's trade balance recorded surplus amounting to USD +2,194mn in April 2021 vs previous month surplus USD +1,568mn. The better trade surplus was caused by the higher export number on non-oil and gas on the back of higher CPO export to China in line with global economics recovery. Non-oil and gas trade balance in April 2021 recorded surplus USD +3,261mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,941mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,067mn in April 2021, which was lower than the deficit on March 2021 amounting to USD -1,373mn. Indonesia's official foreign reserve as of May 2021 was at USD 136.4billion, lower than March 2021 number at USD 138.8billion due to government's foreign debt payments.

The JCI ended the month lower at 5,947.46 (-0.80% MoM). Market laggards were TPIA, BRIS, BRPT, BMRI, and POLL as they fell 21.34%, 16.45%, 9.72%, 2.83% and 33.02% MoM respectively. Regional equity markets reversed to negative territory in May as US inflation jumped to its highest level in nearly four decades in April 2021 at 4.2% YoY, supply shortages, manufacturing bottleneck as well as low-base effect fuelled the reversal. The higher than expected inflation numbers triggered investors' concern on faster than expected policy tightening from the central banks. Additionally, surge in COVID-19 infection cases in ASEAN countries such as Malaysia and Singapore suggesting for another round of mobility restriction also fueled another negative sentiment towards the equity market within ASEAN. Within Indonesia equity market, JCI Index fell below 6,000 level as investors' anticipate on COVID-19 cases potentially spiking post-festive season. That said, daily cases still look manageable at 5-6k cases per day (vs. 8-10k/day in Jan-21) while the hospital bed occupancy rates are still below 40% (vs. 85-90% in Jan-21). Higher vaccination rate would still be key in containing the virus spread and prevent further increase in death cases caused by the virus. Valuation wise, current market valuation stands at 16.5x FY21 P/E, which seems fair in our view given the expectation of a stronger economic recovery post the higher vaccination roll-out (expectation in 2H21) and potential upcoming Indonesian tech IPOs in 2H21 which typically do not use P/E as a valuation method. Sector wise, the Basic Material Sector was the worst performing sector during the month, declining 6.33% MoM. Ticker wise, TPIA (Chandra Asri Petrochemical) and SBR (Semen Baturaja) were the laggards, depreciating 21.34% and 14.72% MoM respectively. This was followed by the Properties and Real Estate Sector which dropped 5.85% MoM. Ticker wise, LPKR (Lippo Karawaci Tbk PT) and LPCK (Lippo Cikarang) posted 23.36% and 21.53% MoM losses respectively. On the other hand, the worst sector during the month was the Technology Sector, which recorded a gain of 19.08% MoM. Ticker wise, NFCX (NFC Indonesia) and DMMX (Digital Mediatama Maxima Tbk) were the movers which rose 110.91% and 100.81% MoM respectively.

Price per Unit	Bid	Offer
(As of May 31, 2021)	USD 0.1071	USD 0.1127

Managed by PT. Asuransi Allianz Life Indonesia

About Allianz Indonesia

PT Asuransi Allianz Life Indonesia 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

Disclaimer:

Smartwealth US Dollar Equity IndoAsia Fund is a unit-linked fund offered by PT Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the Fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.