

Smartwealth US Dollar Equity IndoAsia Fund

May 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		-5.36%
Best Month	Oct-11	8.45%
Worst Month	Mar-20	-16.90%

Portfolio Breakdown

Equity	94.55%
Money Market	5.45%

Top 10 Holding

(in Alphabetical Order)

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

Industry Sector

Finance	33.56%
Consumer Non-Cyclical	14.93%
Infrastructure	14.88%
Technology	11.05%
Industry	7.37%
Consumer Cyclical	5.37%
Basic Industry	3.50%
Health	3.42%
Property	3.21%
Energy	2.71%

Key Fund Facts

Fund Size (in mio USD)	USD 17.29
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

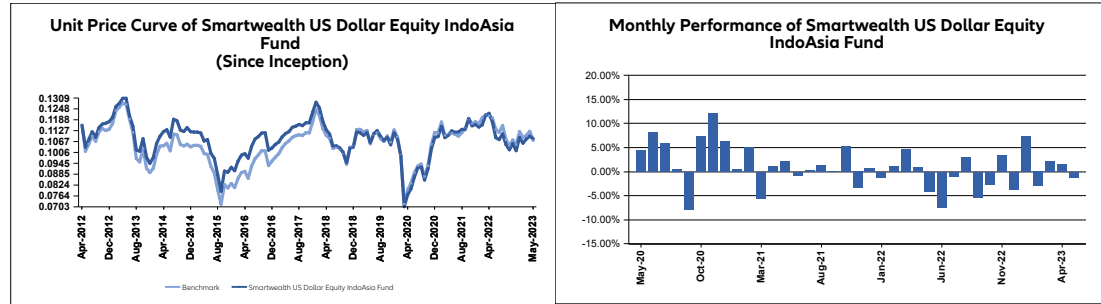
Price per Unit	Bid	Offer
(As of May 31, 2023)	USD 0.1029	USD 0.1084

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartwealth US Dollar Equity IndoAsia Fund	-1.19%	2.46%	2.75%	-7.82%	34.99%	-2.25%	6.69%	-6.39%
Benchmark*	-4.44%	-1.36%	-0.10%	-10.31%	28.74%	-0.98%	2.24%	-7.22%

*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 Pacific ex Japan equities declined over May, with significant falls in China and Hong Kong weighing on overall regional returns. Concerns that China's recovery from the pandemic was losing momentum knocked sentiment as did worries over a potential US default if Congress failed to reach agreement over the debt ceiling in time. Chinese equities retreated sharply amid growing concerns that the economic rebound after the ending of China's zero-COVID policy was losing steam. The sell-off meant the CSI 300 Index of shares listed in Shanghai and Shenzhen has fallen at least 10% from January's peak, taking the market into a technical correction. Hong Kong stocks also declined sharply with the Hang Seng Index closing the month at a six-month low, a decline of nearly 20% from its highest point in late-January. Australian shares slid modestly, ending the month around a two-month low amid concerns over a slowdown in China, Australia's largest trading partner. Having paused its tightening programme in April, the Reserve Bank of Australia unexpectedly raised interest rates by 25 basis points (bps) in May, taking borrowing costs to 3.85%, their highest level since April 2012. Taiwan and South Korea performed far better, helped by robust rallies in tech companies, particularly chipmakers. ASEAN markets declined. Singapore was the weakest market while Indonesia held up the best. During May, Thailand's central bank increased interest rates by 25 bps to 2%, pushing borrowing costs to their highest level since early-2015.

Central Bureau Statistics of Indonesia (BPS) announced May 2023 inflation at +0.09% mom (vs consensus inflation +0.30%, +0.33% in Apr 2023). On yearly basis, inflation was at +4.00% yoy (vs consensus inflation +4.21%, +4.33% in Apr 2023). Core inflation was printed at +2.66% yoy (vs consensus inflation +2.81%, +2.83% in Apr 2023). The lower inflation mom was contributed by the lower price of transportation group and lower inflation from clothing. The BI Board of Governors agreed on 24-25 May 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. Bank Indonesia mention BI focus slight change into enhancing IDR value stabilization in order avoid imported inflation and reduce the spread of uncertainty on global financial markets Rupiah depreciated against USD by -2.33% from 14,661 at end of April 2023 to 15,003 at end of May 2023. The depreciation of Rupiah was impacted by uncertainty from debt ceiling talk in US and concern from China's Economic. Indonesia's trade balance recorded surplus amounting to USD +3.940mn in Apr 2023 vs previous month surplus USD +2.830mn in Mar 2023. The higher trade surplus was impacted by the export fell deeper than import. Non-oil and gas trade balance in Apr 2023 recorded surplus USD +5.640mn, which was higher than the previous month that recorded trade surplus amounting to USD +4.510mn in Mar 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,700mn in Apr 2023, which was higher than the deficit in Mar 2023 amounting to USD -1,670mn.

The JCI ended the month lower at 6,633.26 (-4.08% MoM). Market laggards were BYAN, ADRO, MDKA, TLKM and UNTR as they fell -29.02%, -27.84%, -23.86%, -4.94%, and -23.10% MoM respectively. Global equities performance was mixed in May as Powell's latest dovish stance and expectation of US Debt ceiling deal to be reached before 1 June failed to be propped up equity rally in China and Europe region on the back of weak manufacturing data in both regions. Domestically in Indonesia, the JCI closed the month with negative return driven by correction among commodity names ie. coal and nickel proxies. Concerns are also arising on Indonesia's capability to maintain fiscal stability at times when its key exporting commodity prices are facing huge correction. Sector wise, the Energy Sector was the worst performing sector during the month, declining -18.39% MoM. Ticker wise, COAL (Black Diamond Resources) and ETWA (Eterindo Wahanatama) were the laggards, depreciating -25.62% and -24.00% MoM respectively. This was followed by the Basic Materials Sector which dropped -16.02% MoM. Ticker wise, BEBS (Berkah Beton Sadaya) and NCKL (Trimegah Bangun Persada) posted -53.61% and -42.35% MoM losses respectively. On the other hand, the best sector during the month was the Consumer Cyclical Sector, which recorded a gain of 5.55% MoM. Ticker wise, RAAM (Tripar Multivision) and ESTA (Esta Muti Usaha) were the movers which rose +154.27% and +45.24% MoM respectively.

About Allianz Indonesia

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