

Indonesian Asset Management Expert **Antony Dirga** calls for Great Investment Market Diversity

Hubbis held its live 2022 Indonesia Wealth Management Forum in Jakarta on July 6, during which a panel of local industry leaders offered their insights into investment products and strategies for the private wealth market. One of the experts was Antony Dirga, President Director of the well-known Trimegah Asset Management. Armed with immense experience, Antony offered delegates a number of valuable insights and perspectives, which we have summarised in this short report.

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Antony Dirga
Trimegah Asset Management

Antony is an Indonesian citizen, born in Jakarta in 1974. He has great experience, having started his career nearly two decades ago as Corporate Bond Quantitative Analyst at J.P. Morgan Investment Management Inc. in New York and having worked in leading banks and firms in Singapore and Hong Kong in later years. He has been with Trimegah since 2013 and in his current role since 2015.

He opened his commentary by noting that Indonesia is weathering the global financial storms reasonably well. "We are a net commodity-based country, so we have a better balance sheet to deal with the situation," he explained. "Hence, that's translating into the markets on a relative basis performing not that badly compared to some regional markets and to the US."

As to current demand amongst private clients, he reported that bond funds that provide income were doing relatively well, as well as absolute return strategies. "We cannot do shorts or stock borrowing," he explained, "so it is more like long-only absolute return, but there is strong interest in this area."

He told delegates that there were some regulatory headwinds in Indonesia, for example the asset man-

agement industry was somewhat hampered by a new rule preventing unit-linked money to actually invest in mutual funds, causing what he called "quite a bit of drag" for the mutual fund industry.

But he said the country has immense potential because of the relatively nascent investment industry. "The national AUM is still only about 3.5% of GDP right now, which is far, far below Malaysia or Thailand, for example," he reported. "Singapore's invested AUM is more than 100% of GDP. But we are seeing rapidly rising numbers of accounts, with

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dramatic growth in recent years, and we anticipate another several million accounts will be opened by the end of 2022 to bring the total to more than 10 million."

He conceded that the actual money being invested through each retail account is still very small. "The GDP per capita is roughly USD4100 now and once this rises above USD5000, as it will do before long, then we anticipate more investment flowing into these markets, especially into mutual funds," he reported. "This will take a few years, but we expect the numbers to rise sharply in coming years."

Antony said a key catalyst for evolution is indeed the regulatory side. "The wealth management industry needs to engage with the regulators to ensure that any developments help the investment industry in a positive manner, and do not hinder progress," he said. "We

all want to encourage a healthy, transparent, well-regulated investment market here that develops positively over time."

Antony also opined on how from the perspective as an asset management product provider they work as closely as possible with the wealth industry and distributors to ensure they deliver the right products suite within the bounds of regulation.

"We always listen carefully to our clients," he said. "It always takes time to launch a mutual fund and get it to an optimal size before our distributors

eventually agree to actually distribute it, so it is essential that we deliver products that will find strong demand in the market. Although it took time for us to educate the market about the value of absolute return fund, actually more of a balanced return fund given regulations here, good communication and educative information helped us achieve the goals. Even then it took us a while to succeed, especially in this case as Trimegah was among the first to introduce such a product in Indonesia."

He concluded with the observation that asset management firms need to keep listening carefully to the market and pushing the boundaries of what can be achieved within the prevailing regulatory environment. "And we will continue to communicate with the regulator, as we are very keen to see the industry operate correctly but also to grow in a healthy manner. We need a more vibrant, diverse, and interesting investment market here." ■