

# SmartWealth Rupiah Equity IndoAsia Fund

## November 2015


**BLOOMBERG: AZRPIAS:IJ**
**INVESTMENT OBJECTIVE**

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

**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.

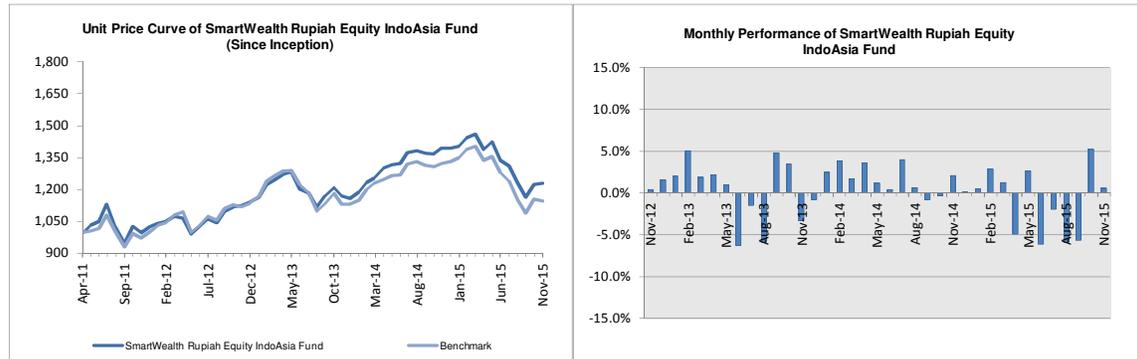
**PERFORMANCE INDICATOR**

Return Performance		Portfolio Breakdown	Top Five Stocks Holding	Country Breakdown (Stock)	
Last 1-year period	-11.82%	Equity	90.68% Hanjaya Mandala Sampoerna	Indonesia	74.15%
Best Month	8.45% Oct-11	Cash/Deposit	9.32% Telekomunikasi Indonesia	Philippines	0.00%
Worst Month	-9.47% Aug-11		Unilever Indonesia	Hongkong	7.30%
			Bank Central Asia	South Korea	3.39%
			Astra International	Malaysia	0.99%
				Singapore	2.05%
				Taiwan	2.80%
				Thailand	0.00%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Rupiah Equity IndoAsia Fund	0.56%	-0.21%	-13.64%	-11.82%	9.42%	-11.82%	22.98%
Benchmark*	-0.81%	-0.54%	-15.47%	-13.27%	2.42%	-13.91%	14.59%

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

(Newbenchmark assessment as of May 2012; previously: Jakarta Composite Index (JCI))


**KEY FUND FACTS**

<b>Fund Size (in bn IDR)</b>	: IDR 458.39	<b>Pricing Frequency</b>	: Daily
<b>Risk Profile</b>	: Aggressive Investor	<b>Price per Unit</b>	: <i>Bid</i> <i>Offer</i>
<b>Launch Date</b>	: 05 May 2011	<b>(As of Nov 30, 2015)</b>	: IDR 1,168.29 IDR 1,229.78
<b>Fund Currency</b>	: Indonesian IDR	<b>Bid-Offer Spread</b>	: 5.00%
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia	<b>Management Fee</b>	: 2.00% p.a.

**MANAGER COMMENTARY**

Overall, concerns over a greater likelihood of a December Fed rate hike re-accelerate foreign institutional funds to flow out of EM Asia earlier this month. One of the reasons why market was increasing the probability of rate normalization was due to the strong non-farm payroll employment which rose by 271,000 in October, nearly doubling the September print. During the month, terrorist attacks in Paris also sparked further selling across the region on the back of renewed geopolitical concerns, with volumes declining with investors de-risking around the Thanksgiving holiday in the US. In China, markets began the month on a bearish note following investigations in the financial sector; negative sentiments were reversed as markets rallied to reports around the Shenzhen stock connect being implemented this year. Sentiment remained solid as the CSRC announced plans to resume IPOs, and no longer requires investors to pre-fund IPO subscriptions. Wednesday, 11th November was the Singles Day Shopping Festival, and Alibaba had another record breaking year as Gross Merchandise Value (GMV) exceeded 2014's total GMV of RMB 57.1bn 10 minutes before noon. A-share Property names also rallied on increasing New-home prices, and President Xi Jinping vowed to "ease property inventory" after the government cut interest rates last month for the sixth time in a year. MSCI Asia Ex-Japan index was down by 3.3% during the month dragged down by Singapore STI (-4.7%), Philippines PSE (-2.9%), Hong Kong HSI (-2.8%), Taiwan TWSE (-2.7%) and Thailand SET (-2.5%). The most resilient market was Malaysia KLSE (+0.4%). The relatively stronger performance in Malaysia can be attributed to the relief rally from reported resolution of the 1MDB saga.

Central Bureau Statistics of Indonesia (BPS) announced November's inflation at 0.21% mom (vs consensus +0.17%, deflation -0.08% in Oct 2015) mostly were caused by higher food ingredients. On yearly basis, inflation printed at 4.89% YoY (vs consensus 4.85%, 6.25% in Oct 2015). Core inflation printed at +4.77% YoY, lower compared to previous month (vs consensus +4.91%, +5.02% in Oct 2015). In the Board of Governors' Meeting on Nov 17th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASB) to 5.50%, however cut reserve requirement by 50bps effective per December 2015. Rupiah depreciated against USD by -1.47% to 13,840 at end of November compared to previous month 13,639. Trade balance was surplus +1.01bn USD (non-oil and gas surplus 1.39bn, oil and gas deficit 0.38bn USD) in Oct 2015. Export decreased by -20.98% YoY mostly driven from export in natural oil, while imports decreased by -27.81% YoY. FX Reserves decreased -0.47bn USD from 100.71bn USD in Oct 2015 to 100.24bn USD in Nov 2015.

The JCI (Jakarta Index) ended lower in November, losing -0.20% MoM to close at 4,446.46 for the month. Laggards were BBCA, PGAS, UNTR, INCO, and INDF which fell -4.07%, -11.50%, -9.94%, -26.40%, and -11.76% MoM respectively. Meanwhile the movers were TLKM, HMSP, GGRM, CPIN, and ISAT which rose +9.33%, +10.79%, +13.85%, +26.60%, and +33.65% MoM respectively. Equity market experienced a minor correction in November after notably rising during two previous months. Better trade flows from both domestic and foreign have held the JCI and the IDR fairly stable. Fundamentally, weak earnings expectations for FY15 seem well priced in with investors expecting recovery as we head in to FY16. Weak earnings are expected to bottom in FY15. Macro wise, GDP growth showed some stabilization in Q315 which adds further comfort. In addition, 3Q CAD looks to be half from its peak as it heads towards -2% of GDP along with November inflation heading downwards towards the 4% level. All of which gives an opportunity for the Bank of Indonesia to cut rates as we head into 1st quarter 2016 and hence give some boost towards the domestic economy. Infrastructure spending should continue to accelerate going into 2016 as the government resolved technical issues during the last few months of 2015. Regional government spending is also expected to be more effective in 2016. Sector wise, the Agriculture Sector was the worst performing sector this month, falling by -10.53% MoM. BWPT (Eagle High Plantation) and LSIP (London Sumatera) were the laggards; losing by -40.00% and -22.58% MoM respectively. This was followed by the Mining Sector that posted -9.90% MoM losses, driven by INCO (Vale Indonesia) and PTBA (Bukit Asam) which fell -26.40% and -23.29% MoM respectively. On the other side, Basic Industry Sector was the best performing sector this month, which gained by +7.40% MoM. MAIN (Malindo Feedmill) and CPIN (Charoen Pokphand) were the movers, appreciating +30.94% and +26.60% MoM respectively.

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