

SmartWealth US Dollar Equity IndoAsia Fund

June 2017


BLOOMBERG: AZUSIAS: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. 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.

PERFORMANCE INDICATOR
Return Performance

Last 1-year period	10.29%
Best Month	14.32% Oct-15
Worst Month	-11.54% Aug-13

Portfolio Breakdown

Equity	92.56%
Cash/Deposit	7.44%

Top Five Stocks Holding

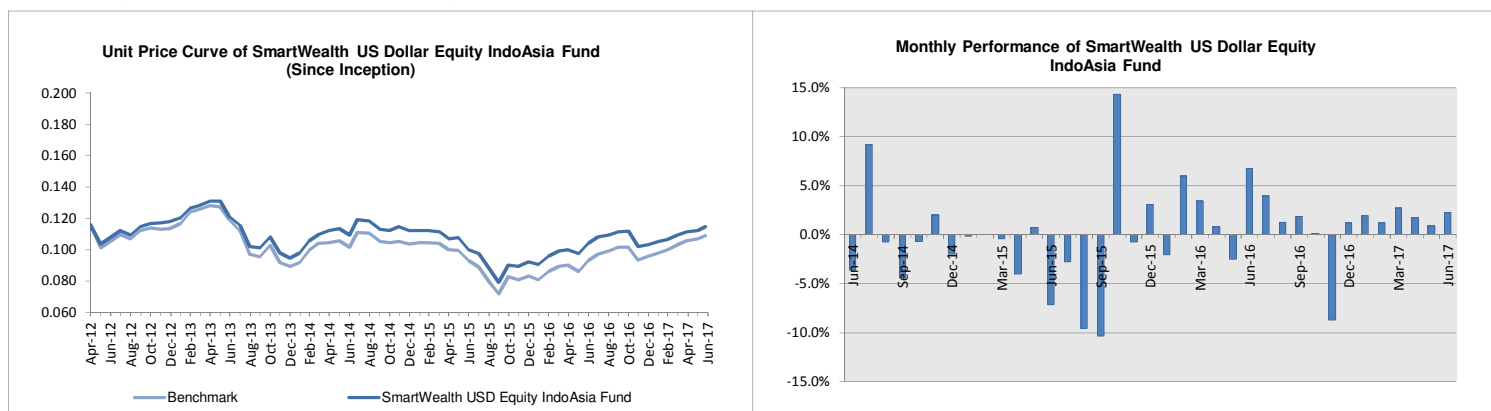
Telekomunikasi Indonesia	7.27%
Bank Central Asia	6.66%
Bank Rakyat Indonesia	5.29%
Hanjaya Mandala Sampoerna	5.23%
Unilever Indonesia	4.89%

Country Breakdown (Stock)

Indonesia	73.83%
Philippines	0.00%
Hongkong	6.31%
South Korea	5.10%
Malaysia	0.00%
Singapore	0.03%
Taiwan	6.24%
Thailand	1.05%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth USD Equity IndoAsia Fund	2.23%	4.94%	11.25%	10.29%	5.04%	11.25%	-0.95%
Benchmark*	1.85%	5.53%	13.85%	17.28%	7.39%	13.85%	-5.84%

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


KEY FUND FACTS

Fund Size (in mn USD)	: USD 47.85
Risk Profile	: Aggressive
Launch Date	: 01 May 2012
Fund Currency	: US Dollar
Managed by	: PT. Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily
Price per Unit (As of Jun 22, 2017)	Bid USD 0.1090
	Offer USD 0.1147
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

The Asian market had an overall return of 1.07% for the month of June. Amongst Asian countries, the market top performers were Taiwan (4.28%) followed by Australia (2.92%). Philippines (-1.19%) was the bottom performer for the month. Taiwan's performance was driven by a strong tech sector. Australia's performance was led by an outperformance in healthcare and financials. Although the Philippines laggard for the month due to political uncertainty, growth in the Philippines continue as monetary policy remains helpful.

Central Bureau Statistics of Indonesia (BPS) announced Jun 2017 inflation at 0.69% mom (vs consensus 0.60%, 0.39% in May 2017). On yearly basis, inflation was slightly higher to +4.37%yoy (vs consensus 4.29%, 4.33% in May 2017). Core inflation was printed at +3.13% yoy (vs 3.20% in May 2017). Higher inflation was due to seasonally higher food prices during the Ramadan period. In the Board of Governors' Meeting on 14-15 Jun 2017, Bank Indonesia maintained the BI 7-day (Reverse) Repo Rate (BI-7 day RR Rate) at 4.75%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.00% and 5.50% respectively. Rupiah appreciated by +0.02% to 13,319/USD at end of Jun 2017 from 13,321/USD in previous month. Trade balance booked a surplus of USD 0.47bn (non-oil and gas surplus USD 1.03bn, oil and gas deficit USD 0.56bn) in May 2017. Export rose by +12.63% YoY mostly driven by engine and mechanical equipment, while imports rose by +24.03% YoY.

The JCI (Jakarta Composite Index) ended the month higher at 5,829.71 (+1.6% MoM). Market movers were BBCA, UNVR, BBRI, TLKM, and GGRM as they rose 5.83%, 5.68%, 5.35%, 3.91% and 5.88% MoM respectively. The index extended its gain in June after the S&P rated "investment grade" for Indonesia. Improvement on several economic indicators such as credit growth, car and cement sales increased by 9%, 6%, and 7% YoY, respectively, coupled by sustainable export growth brought the BI stance that 2Q17 economic growth will improve. However, weaker May-17 retail sales for lower-middle income segment compared to April numbers became investor concern, which is an early indication that purchasing power are still relatively soft. On the external front, rising Middle East tensions between Qatar and several Arab countries increase global geopolitical risks. Overall company's valuations are relatively demanding at this current juncture. With the lack of positive catalyst in the near term, we favor 'de-risking'. Sector wise, the Infrastructure Sector was the best performing sector during the week, gaining 3.37% MoM. Ticker wise, SAFE (Steady Safe) and CANI (Capitol Nusantara Indonesia) were the movers, appreciating 71.57% and 33.08% MoM respectively. This was followed by the Finance Sector which rallied 3.3% MoM. Ticker wise, AGRS (Bank Agris) and YULE (Yulie Sekurindo) posted 162.35% and 160.61% MoM gains respectively. On the other hand, the worst sector during the week was the Agriculture Sector, which recorded a decline of 2.06% MoM. Ticker wise, GZCO (Gozco Plantations) and BWPT (Eagle High Plantations) were the laggards which fell 15.66% and 10.95% MoM respectively.

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