

# SmartWealth US Dollar Equity IndoAsia Fund

## Maret 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	<b>10.29%</b>
Best Month	<b>14.32% Oct-15</b>
Worst Month	<b>-11.54% Aug-13</b>

**Portfolio Breakdown**

Equity	<b>90.45%</b>
Cash/Deposit	<b>9.55%</b>

**Top Five Stocks Holding**

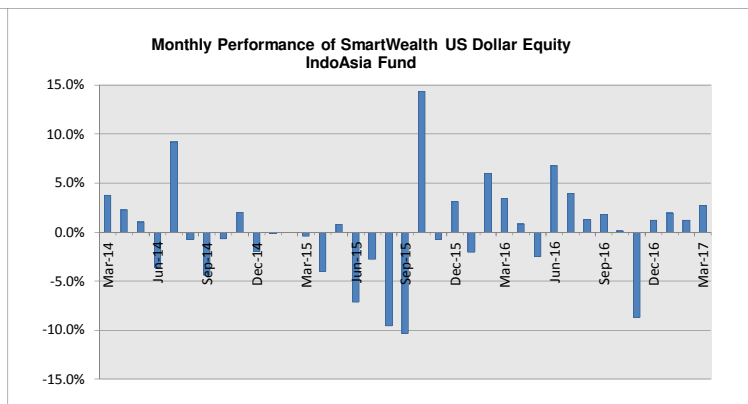
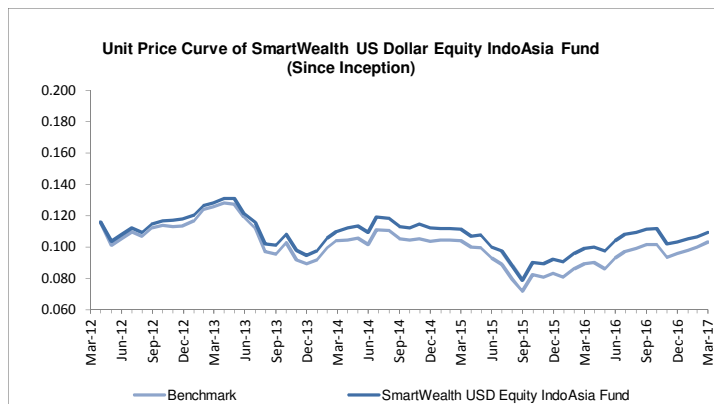
Telekomunikasi Indonesia	<b>6.89%</b>
Bank Central Asia	<b>6.53%</b>
Hanjaya Mandala Sampoerna	<b>6.12%</b>
Astra International	<b>4.67%</b>
Unilever Indonesia	<b>4.63%</b>

**Country Breakdown (Stock)**

Indonesia	<b>72.36%</b>
Philippines	<b>0.00%</b>
Hongkong	<b>6.02%</b>
South Korea	<b>4.95%</b>
Malaysia	<b>0.00%</b>
Singapore	<b>0.03%</b>
Taiwan	<b>5.90%</b>
Thailand	<b>1.18%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth USD Equity IndoAsia Fund	<b>2.73%</b>	<b>6.01%</b>	<b>-1.97%</b>	<b>10.29%</b>	<b>-0.36%</b>	<b>6.01%</b>	<b>-5.61%</b>
Benchmark*	<b>3.45%</b>	<b>7.88%</b>	<b>1.66%</b>	<b>15.71%</b>	<b>-0.78%</b>	<b>7.88%</b>	<b>-10.77%</b>

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


**KEY FUND FACTS**

<b>Fund Size (in mn USD)</b>	: USD 45.97
<b>Risk Profile</b>	: Aggressive
<b>Launch Date</b>	: 01 May 2012
<b>Fund Currency</b>	: US Dollar
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia

<b>Pricing Frequency</b>	: Daily
<b>Price per Unit (As of Mar 31, 2017)</b>	<b>Bid</b> USD 0.1038
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a.
	<b>Offer</b> USD 0.1093

**MANAGER COMMENTARY**

The performance across the Asian market was positive. The Asian market had an overall return of 2.55% for the month of March. Amongst Asian countries, the market top performers were India with a 5.98% return followed by Korea with a 5.27% return. The consensus EPS had an eight month consecutive upgrade with Korea leading, up 4.0%. Under new leadership after the impeachment of President Park, expectations of a stable government and expansionary fiscal policy helped the Korean market. The foreign inflows and the ruling in key state elections were driving factors in India's performance. Market sentiment sustained by a successful ruling of the BJP in state elections contributed to strong market gains.

Central Bureau Statistics of Indonesia (BPS) announced Mar 2017 deflation at -0.02% mom (vs consensus +0.20%, +0.23% in Feb 2017), mostly was caused by lower food ingredients prices also transportation and communication tariff. On yearly basis, inflation was lower to +3.61% YoY (vs consensus +3.80%, +3.83% in Feb 2017). Core inflation printed at +3.30% YoY, lower than previous month at +3.41% YoY. In the Board of Governors' Meeting on 15-16 Mar 2017, Bank Indonesia maintained the 7-day reverse repo rate at 4.75%, also Deposit Facility (DF) at 4.00% and Lending Facility (LF) at 5.50%. Rupiah appreciated by +0.19% to 13,321/USD at end of Mar 2017 as opposed to 13,347/USD previous month. Trade balance booked a surplus of +US\$1.32bn (non-oil and gas surplus USD 2.55bn, oil and gas deficit USD 1.23bn) in Feb 2017. Export rose by +11.16% YoY mostly driven by jewelry exports, while imports rose by +10.61% YoY.

The JCI (Jakarta Composite Index) closed higher in March, gaining +3.37% MoM to close at 5,568.11 for the month. Movers were BBRI, TLKM, BBCA, ASII, and BMRI which posted respectable gains of +8.58%, +7.27%, +7.12%, +5.18%, and +3.54% MoM respectively. Meanwhile the laggards were PGAS, SMGR, SCMA, MDIA, and BJBR which fell -10.60%, -6.49%, -8.47%, -29.63%, and -12.17% MoM respectively. Index broke thru all-time high in March at 5,500 on the back of potential S&P upgrade. Despite an improvement in Indonesia's macro economy, achieving S&P's investment grade status remains elusive despite Fitch and Moody having listed Indonesia into investment grade years ago. In recent weeks, the prospect of an S&P upgrade in May re-emerged, enticed by significant foreign inflow of US\$785mn in the equity market. The upgrade would lead to a lowering both risk free and premium, which would result in higher equity value. However, we expect market volatility will be higher in short term on the back of tax law enforcement post tax amnesty period which ends in Mar-17 and secondly the outcome of Jakarta elections on 19 Apr. Sector wise, the Mining Sector was the best performing sector this month, appreciating by +6.63% MoM. MEDC (Medco Energy) and HRUM (Harum Energy) were the movers; gaining by +24.00% and +19.72% MoM respectively. This was followed by the Basic Industry Sector that posted +5.35% MoM gains, driven by BRPT (Barito Pacific) and SMBR (Semen Baturaja) which rose +35.14% and +24.24% MoM respectively. On the flip side, Property and Construction Sector was the worst performing sector this month, losing by -1.29% MoM. PPRO (PP Properti) and CTRA (Ciputra Development) were the laggards, falling -11.59% and -10.22% MoM respectively.

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