

SmartWealth Rupiah Equity IndoAsia Fund

November 2016


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

Last 1-year period **12.22%**
 Best Month **8.45% Oct-11**
 Worst Month **-9.47% Aug-11**

Portfolio Breakdown

Equity **88.84%**
 Cash/Deposit **11.16%**

Top Five Stocks Holding

Hanjaya Mandala Sampoerna **6.62%**
 Telekomunikasi Indonesia **6.59%**
 Bank Central Asia **6.47%**
 Unilever Indonesia **4.68%**
 Astra International **4.17%**

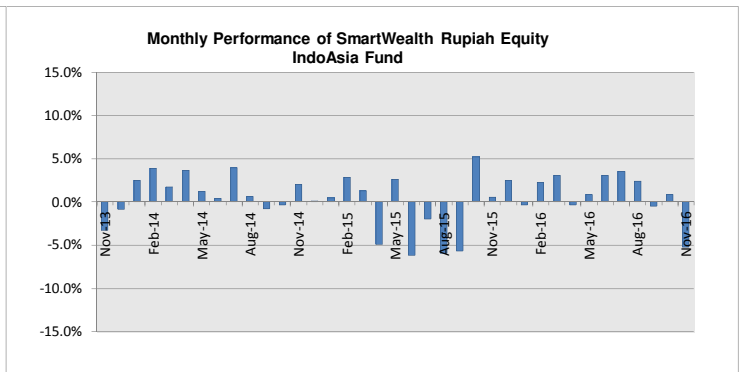
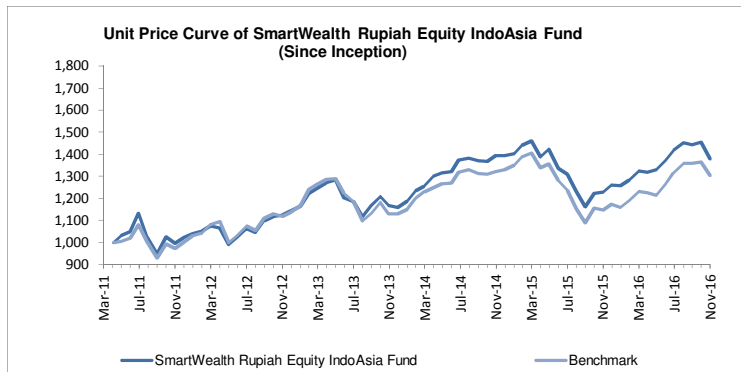
Country Breakdown (Stock)

Indonesia **74.10%**
 Philippines **0.00%**
 Hongkong **7.16%**
 South Korea **3.10%**
 Malaysia **1.06%**
 Singapore **0.98%**
 Taiwan **2.43%**
 Thailand **0.00%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Rupiah Equity IndoAsia Fund	-5.22%	-4.91%	3.83%	12.22%	18.09%	9.51%	38.01%
Benchmark*	-4.52%	-3.98%	7.44%	13.76%	15.29%	11.11%	30.35%

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

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


KEY FUND FACTS

Fund Size (in bn IDR) : IDR 566.10
Risk Profile : Aggressive
Launch Date : 05 May 2011
Fund Currency : Indonesian IDR
Managed by : PT. Asuransi Allianz Life Indonesia

Pricing Frequency : Daily
Price per Unit (As of Nov 30, 2016) : **Bid** IDR 1,311.07 **Offer** IDR 1,380.07
Bid-Offer Spread : 5.00%
Management Fee : 2.00% p.a.

MANAGER COMMENTARY

The US Presidential election has played a large role in the Asian market for the month of November. Many are anticipating Donald Trump will be more of a protectionist, which could slow the growth of emerging market stocks. Donald Trump being the US President-Elect has shaken financial markets and hurt emerging market assets. Donald Trump's growing consensus that his fiscal stimulus and massive infrastructural investment programs will push up inflation and U.S. rates, pushing capital out of emerging markets into dollar-based assets.

Central Bureau Statistics of Indonesia (BPS) announced Nov's inflation at 0.47% mom (vs consensus inflation +0.32%, +0.14% in Oct 2016) mostly was caused by higher food ingredients, process food, beverages, cigarette and tobacco. On yearly basis, inflation higher to 3.58% YoY (vs consensus 3.41%, 3.31% in Oct 2016). Core inflation printed at 3.07% YoY, lower than previous month (vs 3.08% in Oct 2016). In the Board of Governors' Meeting on 17 Nov 2016, 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 depreciated by -3.92% to 13,563/USD at end of Nov as opposed to 13,051/USD previous month. Trade balance booked a surplus of +US\$1.2068bn (non-oil and gas surplus +US\$1.71bn, oil and gas deficit US\$-0.5032bn) in Oct 2016. Export rose by +4.60% YoY mostly driven by natural oil exports, while imports rose by +3.27% YoY. FX Reserves down by USD 3.571bn from US\$115.037bn in Oct 2016 to US\$111.466bn in Nov 2016 on the back of government external debt payments and currency stability as fundamental.

The JCI (Jakarta Composite Index) closed lower in November, losing -5.05% MoM to close at 5,148.91 for the month. Laggards were TLKM, BBRI, UNVR, BBKA, and ASII which recorded loss of -10.43%, -10.66%, -8.88%, -7.89%, and -8.21% MoM respectively. Meanwhile the movers were TPIA, INCO, SMBR, INAF, and KRAS which gained +11.90%, +24.26%, +31.14%, +71.88%, and +155.17% MoM respectively. The index continued to be under pressure following the announcement of Donald Trump's presidency, as the market is concerned on speculation of more aggressive rate hikes and foreign currency implications as a result of potential increased protectionism from the US. Meanwhile, US election result is likely to increase political uncertainty in the Eurozone with increased expectations of populist and/or anti EU/EMU parties gaining ground across the Eurozone. Given higher uncertainty in equity market, foreign investors booked US\$919mn outflows in November 2016. Bottom-line, Indonesia's economy fundamental is much better than 2015, but higher expectation for US growth and stronger dollar will bring negative sentiment for overall emerging markets and Indonesia is no exception. Sector wise, the Miscellaneous Industry Sector was the worst performing sector this month, depreciating by -7.16% MoM. GJTL (Gajah Tunggal) and ASII (Astra International) were the laggards; losing by -19.60% and -8.21% MoM respectively. This was followed by the Financial Sector that posted -6.74% MoM losses, driven by BDMN (Bank Danamon) and BBRI (Bank Rakyat Indonesia) which fell -15.80% and -10.66% MoM respectively. On the other side, Mining Sector was the best performing sector this month, rising by +4.46% MoM. BUMI (Bumi Resources) and INCO (Vale Indonesia) were the movers, gaining +35.51% and +24.26% MoM respectively.

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