

SmartWealth Rupiah Equity IndoAsia Fund

January 2017


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 **11.58%**
 Best Month **8.45% Oct-11**
 Worst Month **-9.47% Aug-11**
Portfolio Breakdown

 Equity **92.14%**
 Cash/Deposit **7.86%**
Top Five Stocks Holding

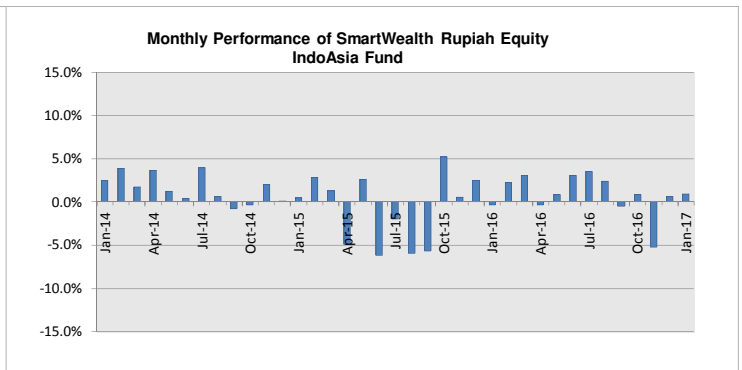
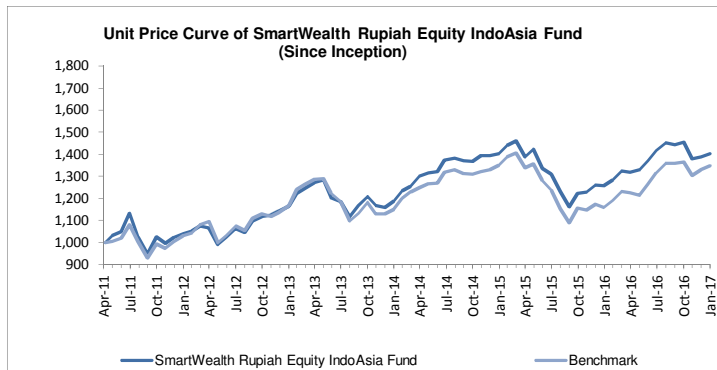
 Telekomunikasi Indonesia **6.94%**
 Hanjaya Mandala Sampoerna **6.61%**
 Bank Central Asia **6.42%**
 Unilever Indonesia **4.69%**
 Astra International **4.32%**
Country Breakdown (Stock)

 Indonesia **76.79%**
 Philippines **0.00%**
 Hongkong **4.72%**
 South Korea **3.49%**
 Malaysia **1.07%**
 Singapore **0.03%**
 Taiwan **4.81%**
 Thailand **1.23%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Rupiah Equity IndoAsia Fund	0.91%	-3.75%	-1.15%	11.58%	17.98%	0.91%	40.14%
Benchmark*	1.21%	-1.31%	2.51%	16.18%	17.21%	1.21%	34.73%

*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 574.74
 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 Jan 31, 2017) : **Bid** IDR 1,331.31 **Offer** IDR 1,401.38
 Bid-Offer Spread : 5.00%
 Management Fee : 2.00% p.a.

MANAGER COMMENTARY

The Asian market had a strong start to 2017 with an overall index return of 6.2% for the month of January. Amongst Asian countries, the market top performer was Singapore with an 8.25% return and followed by Hong Kong with a return of 7.72%. On the other hand, Indonesia was flat for the month. China and Hong Kong outperformed for the month, the driving factors for their outperformance was a steady easing of the liquidity squeeze and a better than expected fourth quarter GDP year-on-year. In Korea, the Won appreciated for the month and foreign investments rose following a positive direction from Samsung. Samsung is a large market for the region and has had a positive impact in Korea which contributed to the overall performance in the Asian market.

Central Bureau Statistics of Indonesia (BPS) announced Jan 2017 inflation at 0.97% mom (vs +0.42% in Dec 2016), mostly was caused by higher vehicle registration fee and electricity tariff. On yearly basis, inflation was higher to 3.49% YoY (vs consensus 3.20%, 3.02% in Dec 2016). Core inflation printed at 3.35% YoY, higher from previous month (vs consensus 3.12%, 3.07% in Dec 2016). In the Board of Governors' Meeting on 18-19 Jan 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 +0.69% to 13,343/USD at end of Jan 2017 as opposed to 13,436/USD previous month. Trade balance booked a surplus of +US\$0.992bn (non-oil and gas surplus +US\$1.448bn, oil and gas deficit US\$-0.456bn) in Dec 2016. Export rose by +15.57% YoY mostly driven by mineral fuel exports, while imports rose by +5.82% YoY. Indonesia's gross domestic product (GDP) growth in Q4 2016 was at -1.77% qoq (vs consensus -1.80%, 3.20% last quarter), however expanded 5.02% yoy in FY2016 (vs consensus 5.02%, 4.88% FY2015).

The JCI (Jakarta Composite Index) closed flat/slightly lower in January, losing -0.05% MoM to close at 5,294.71 for the month. Laggards were BMRI, ASII, TLKM, BJBR, and INAF which posted notable losses of -5.83%, -3.93%, -2.76%, -32.15%, and -50.00% MoM respectively. Meanwhile the movers were UNVR, BUMI, EXCL, TPIA, and NIKL which rose +6.19%, +79.14%, +25.97%, +7.38%, and +83.56% MoM respectively. Stock market continued to stay relatively flat given the lack of positive catalysts. Foreign flows dominated where US\$37mn of outflows were recorded in Jan-17 as a reflection of rising political concerns as we head towards the Jakarta governor elections which will be held on the 15th Feb. Despite a recovery in incumbent Ahok's popularity, there are no indications that any candidate will surpass the >50% threshold to win outright in the first round on 15 Feb. Current polls suggest Ahok will progress to a second round and the election campaign period is likely to continue through mid-April 2017, which will increase the risk of further political tension during 1Q17. On the monetary front, BI maintained its benchmark policy rate given potential external volatility and rising inflation risk due to higher electricity and issuance of new vehicle licenses tariff. We would expect market volatility to remain relatively high in the near term. Sector wise, the Miscellaneous Industry Sector was the worst performing sector this month, depreciating by -3.43% MoM. MASA (Multistrada) and ASII (Astra International) were the laggards; losing by -11.85% and -3.93% MoM respectively. This was followed by the Financial Sector that posted -0.90% MoM losses, driven by BJBR (Bank Jabar) and BMRI (Bank Mandiri) which lost -32.15% and -5.83% MoM respectively. On the other side, Agriculture Sector was the best performing sector this month, gaining by +4.50% MoM. UNSP (Bakrie Plantation) and GZCO (Gozco Plantation) were the movers, rising +60.00% and +53.33% MoM respectively.

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