

SMARTWEALTH RUPIAH EQUITY INDOASIA FUND

January 2018

BLOOMBERG: AZRPIAS:IJ

Investment Objective

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

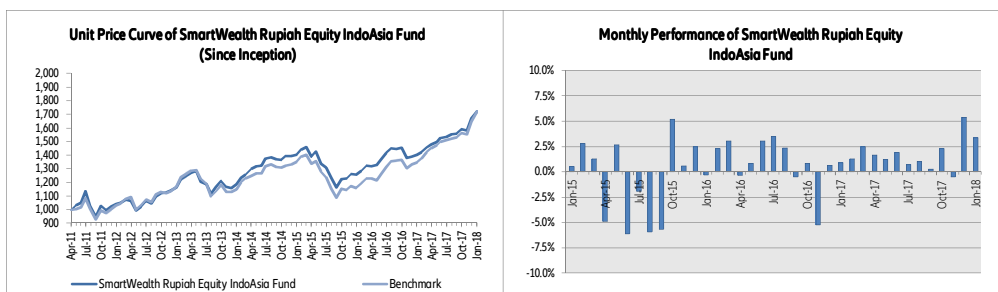
	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Rupiah Equity IndoAsia	3.35%	8.34%	12.25%	23.06%	23.04%	3.35%	72.45%
Benchmark*	4.74%	10.26%	14.06%	27.99%	27.73%	4.74%	72.45%

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

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

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.



Return Performance

Last 1-year period		23.06%
Best Month	Oct-11	8.45%
Worst Month	Aug-11	-9.47%

Manager Commentary

The Asian market, Asia Pacific ex-Japan, had an overall return of 8.34% for the month of January. Amongst Asian countries, the market top performers were China (+12.49%) followed by the Thailand (+8.49%). The bottom performer for the month was the Philippines (-1.33%). Strong PMI number, supply side reform, strengthening Renminbi are some of the factors that contributed towards the performance in China. Thailand was a top performer for the month due to positive growth momentum in their manufacturing sector. In the Philippines, there was a slow-down in the manufacturing sector due to excise taxes which caused the Philippines to be the bottom performer for the month. The Asian market made strong gains for the month led by Financials and Energy sectors.

Portfolio Breakdown

Equity	93.59%
Cash/Deposit	6.41%

Top Five Stocks Holding

Bank Central Asia	6.31%
Hanjaya Mandala Sampoerna	5.13%
Bank Rakyat Indonesia	5.06%
Bank Mandiri Persero	5.05%
Unilever Indonesia	4.72%

Central Bureau Statistics of Indonesia (BPS) announced Jan 2018 inflation at +0.62% mom (vs consensus inflation +0.70%, +0.71% in Dec 2017). On yearly basis, inflation was lower to +3.25%yoy (vs consensus inflation +3.33%, +3.61% in Dec 2017). Core inflation was printed at +2.69%yoy (vs consensus inflation +2.80%, +2.95% in Dec 2017). The controlled inflation is primarily attributable to administered prices whose deflation and core inflation remain controlled amidst the increasing inflation of volatile food. In the Board of Governors' Meeting on 18 Jan 2018, Bank Indonesia maintained the BI 7-day Reverse Repo Rate at 4.25%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 3.50% and 5.00% respectively. Rupiah appreciated by +0.99% to 13,413/USD at end of Jan 2018 from 13,548/USD in previous month. Trade balance booked surplus of USD11.83bn FY2017 (non-oil and gas surplus increased USD 5.24bn to USD20.40bn, while deficit in oil and gas increased USD 2.93bn to USD 8.57bn), despite monthly deficit in Dec 2017 of USD -0.27bn. The Indonesia' actual GDP growth 4Q17 recorded 5.19%yoy, higher than that in the previous quarter of 5.06%yoy. Throughout 2017, economic growth is recorded 5.07%, higher compared to 5.03% in FY2016. Growth was mainly caused by investment (grew 6.2%yoy from 4.5% in FY2016), followed by net export (grew 21.2%yoy from 10% in FY2016), and government expenditure (grew 2.14%yoy from -0.14% in FY2016). Private consumption was relatively stable (4.95% from 5.01% FY2016). Indonesia's foreign exchange reserve in January 2018 reached USD131.98 billion January 2018, higher than the end of December 2017 level at USD130.2 billion. The increase was primarily attributable to foreign exchange receipts, among other form tax revenues and government oil & gas export proceeds, withdrawal of government foreign loan, as well as auction of Bank Indonesia foreign exchange bills.

Country Breakdown (Stock)

Indonesia	76.04%
Philippines	0.00%
Hongkong	9.60%
South Korea	4.46%
Malaysia	0.00%
Singapore	0.04%
Taiwan	1.84%
Thailand	1.62%

The JCI ended the month higher at 6,605.63 (+3.93% MoM). Market movers were INKP, PGAS, ADRO, BBCA, and HMSP as they rose 73.61%, 49.14%, 31.72%, 3.77% and 3.59% MoM respectively. The index continued its gains in January, buoyed by positive sentiment both in domestic and global markets. As seen on the foreign net inflow of US\$123mm in Jan-18. Investors were more optimistic that that Indonesian economy in 2018 will be stronger versus 2017. The combination of regional elections as well as government's program on Village Fund's "Cash for Work" is expected to improve purchasing power for middle to middle low income segment. In addition, relatively high & stable commodity prices is set to further benefit the economy particularly within the non-Java regions. That being said however, the risk of rising oil prices which has risen past US\$60/barrel is something that can't be ignored as it would have negative implications towards inflationary pressure. On the global side, global monetary normalization agenda from US and Europe in the medium term could trigger exchange rate volatility and changes in Global Fund's asset allocation within emerging markets. Sector wise, the Mining Sector was the best performing sector during the week, gaining 24.97% MoM. Ticker wise, ENRG (Energi Mega Persada) and GTBO (Garda Tujuh Buana) were the movers, appreciating 89.89% and 83.43% MoM respectively. This was followed by the Basic Industry Sector which rallied 11.51% WoW. Ticker wise, INKP (Indah Kiat Pulp & Paper Corp) and TKIM (Pabrik Kertas Tjiwi Kimia) posted 73.61% and 61.64% MoM gains respectively. On the other hand, the worst sector during the week was the Infrastructure, Utilities and Transportation Sector, which recorded a decline of 1.79% MoM. Ticker wise, CASS (Cardig Aero Services) and SDMU (Sidamulyo Selaras) were the laggards which fell 18.89% and 16.6% MoM respectively.

Key Fund Facts

Fund Size (in bn IDR)	IDR 741.96
Risk Profile	Aggressive
Launch Date	05 May 2011
Fund Currency	Indonesian Rupiah

Disclaimer:
SmartWealth Rupiah Equity IndoAsia Fund is a unit-linked fund offered by PT Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the Fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.

Price per Unit	Bid	Offer
(As of Jan 31, 2018)	IDR 1,638.31	IDR 1,724.54

Managed by PT. Asuransi Allianz Life Indonesia