

# SmartWealth US Dollar Equity IndoAsia Fund

## December 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>19.40%</b>
Best Month	<b>14.32% Oct-15</b>
Worst Month	<b>-11.54% Aug-13</b>

**Portfolio Breakdown**

Equity	<b>93.62%</b>
Cash/Deposit	<b>6.38%</b>

**Top Five Stocks Holding**

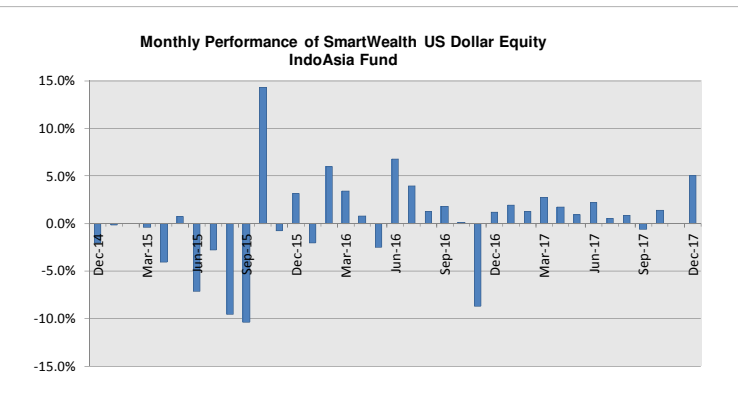
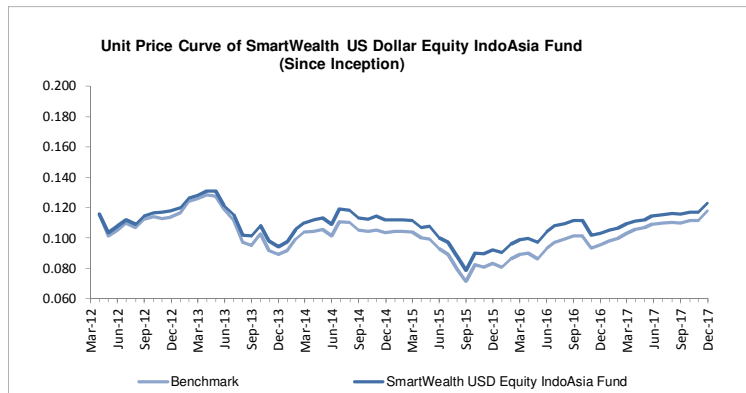
Bank Central Asia	<b>6.58%</b>
Hanjaya Mandala Sampoerna	<b>5.41%</b>
Bank Rakyat Indonesia	<b>5.39%</b>
Telekomunikasi Indonesia	<b>5.38%</b>
Unilever Indonesia	<b>5.15%</b>

**Country Breakdown (Stock)**

Indonesia	<b>75.61%</b>
Philippines	<b>0.00%</b>
Hongkong	<b>9.16%</b>
South Korea	<b>4.59%</b>
Malaysia	<b>0.00%</b>
Singapore	<b>0.03%</b>
Taiwan	<b>1.67%</b>
Thailand	<b>2.55%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth USD Equity IndoAsia Fund	<b>5.03%</b>	<b>6.49%</b>	<b>7.32%</b>	<b>19.40%</b>	<b>9.71%</b>	<b>19.40%</b>	<b>6.30%</b>
Benchmark*	<b>5.52%</b>	<b>6.94%</b>	<b>7.94%</b>	<b>22.89%</b>	<b>13.42%</b>	<b>22.89%</b>	<b>1.64%</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 53.64
<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</b>	: <b>Bid</b> Offer
<b>(As of Dec 29, 2017)</b>	: USD 0.1169 USD 0.1231
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a.

**MANAGER COMMENTARY**

The Asian market had an overall return of (3.64%) for the month of December. Amongst Asian countries, the market top performers were Malaysia (6.23%) followed by the Philippines (5.03%). Although each region recorded a gain for the month, Singapore was flat (0.91%). The Philippines was a top performer for the month due to the manufacturing sector having a strong month, the best month of the year. Malaysia was a top performer due to growth, driven by domestic demand largely in the private spending sector. The Asian market made strong gains for the month led by Healthcare and Consumer Staples sectors.

Central Bureau Statistics of Indonesia (BPS) announced Dec 2017 inflation at +0.71% mom (vs consensus inflation +0.45%, +0.20% in Nov 2017). On yearly basis, inflation was higher to +3.61%yoY (vs consensus inflation +3.35%, +3.30% in Nov 2017). Core inflation was printed at +2.95%yoY (vs consensus inflation +3.07%, +3.05% in Nov 2017). The increasing inflation is primarily attributable to inflation of volatile food group and administered prices group amidst the low core inflation. In the Board of Governors' Meeting on 14 Dec 2017, 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 depreciated by -0.25% to 13,548/USD at end of Dec 2017 from 13,514/USD in previous month. Trade balance booked surplus of USD 0.13bn (non-oil and gas surplus USD 1.27bn, oil and gas deficit USD 0.96bn) in Nov 2017. Export rose by +13.18% YoY mostly driven by animal fats and vegetable oil, while imports rose by +19.62% YoY. Indonesia's foreign exchange reserve in Dec 2017 reached the highest recorded in 2017 at USD130bn. This significant increase in foreign exchange reserves from Nov 2017 (USD125.97bn) and Dec 2016 (USD116.4bn) is attributed to the issuance of Global Bonds, which was used for 2018 pre-funding that reached USD4bn.

The JCI ended the month higher at 6,355.65 (+6.78% MoM). Market movers were HMSF, BBRI, UNVR, BBKA, and BBNi as they rose 15.37%, 13.4%, 13.39%, 7.62% and 22.22% MoM respectively. The index closed the year end with the new record high, which supported by some degree of window dressing as well as positive sentiment as Fitch upgrade Indonesia's credit rating to BBB/Stable Outlook, which was the highest rating Indonesia has gotten since 1995. On the macro side, there was a positive trend from Indonesia's trade balance as well as the government making a bold statement to manage its 2017 fiscal budget deficit at 2.6%. These have resulted in a positive sentiment towards investors in general and contributed positively in regards to foreign money inflow. Looking ahead into 2018, household consumption is expected to improve going forward as regional election spending will increase Indonesia's money supply in 2018. Particularly within the grassroots level. Despite topish valuation for Indonesia, so is most parts of the world generally speaking. That being said Indonesia's broad market EPS growth still offers a relatively better buffer relative to its regional peers. Sector wise, the Consumer Sector was the best performing sector during the week, gaining 11.76% MoM. Ticker wise, INAF (Indofarma Persero) and SKBM (Sekar Bumi) were the movers, appreciating 133.2% and 45.33% MoM respectively. This was followed by the Basic Industry Sector which rallied 9.38% WoW. Ticker wise, NIKL (Pelat Timah Nusantara) and SMBR (Semen Baturaja Persero) posted 83.33% and 59.66% MoM gains respectively. On the other hand, the worst sector during the week was the Agriculture Sector, which recorded a decline of 4.54% MoM. Ticker wise, BWPT (Eagle High Plantations) and UNSP (Bakrie Sumatera Plantations) were the laggards which fell 17.57% and 12.83% MoM respectively.