

# Smartwealth Equity IndoGlobal Fund

## November 2017



BLOOMBERG: AZRPGLB: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 Global region (directly through stocks or equity mutual funds), not exceeding 20% of the portfolio at any given time.

### PERFORMANCE INDICATOR

#### Return Performance

Last 1-year Period	<b>13.56%</b>
Best Month	<b>6.36%</b> Oct-15
Worst Month	<b>-6.27%</b> Apr-15

#### Portfolio Breakdown

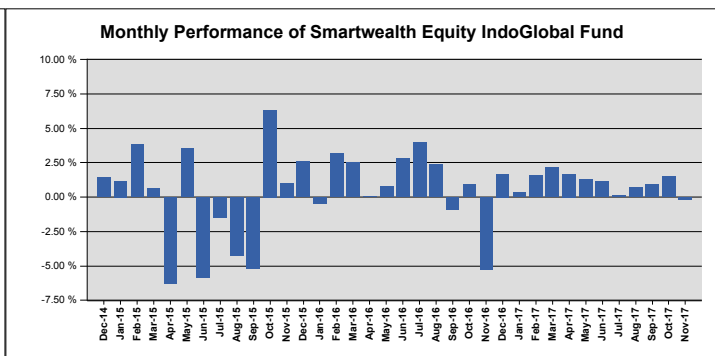
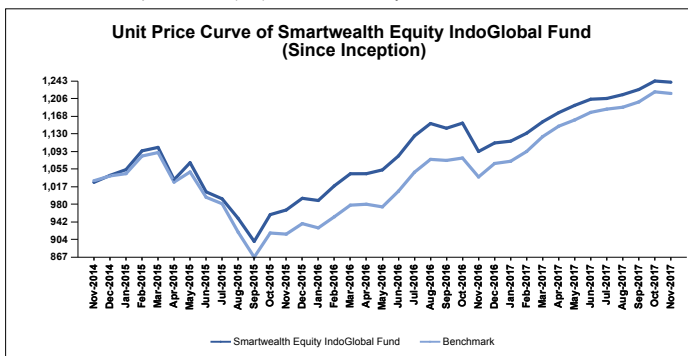
Equity	<b>76.63%</b>
Mutual Funds - Equities	<b>14.40%</b>
Cash/Deposit	<b>8.97%</b>

#### Top Five Stocks Holding

Bank Central Asia	<b>6.23%</b>
Telekomunikasi Indonesia	<b>5.18%</b>
Bank Rakyat Indonesia	<b>4.91%</b>
Hanjaya Mandala Sampoerna	<b>4.72%</b>
Unilever Indonesia	<b>4.71%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartwealth Equity IndoGlobal Fund	<b>-0.20%</b>	<b>2.19%</b>	<b>4.17%</b>	<b>13.56%</b>	<b>20.86%</b>	<b>11.70%</b>	<b>24.09%</b>
Benchmark*	<b>-0.28%</b>	<b>2.48%</b>	<b>4.88%</b>	<b>17.20%</b>	<b>18.12%</b>	<b>14.03%</b>	<b>21.67%</b>

\*80% Jakarta Composite Index (JCI) & 20% MSCI Daily TR Net World USD Index



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 14.56
<b>Risk Profile</b>	: Aggressive
<b>Launch Date</b>	: 07 Nov 2014
<b>Fund Currency</b>	: Indonesian Rupiah
<b>Managed by</b>	: PT Asuransi Allianz Life Indonesia

<b>Pricing Frequency</b>	: Daily
<b>Price per Unit (As of Nov 30, 2017)</b>	<b>Bid</b> : IDR 1,178.81 <b>Offer</b> : IDR 1,240.85
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a.

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Nov 2017 inflation at +0.20% mom (vs consensus inflation +0.29%, +0.01% in Oct 2017). On yearly basis, inflation was lower to +3.30%yoy (vs consensus inflation +3.41%, +3.58% in Oct 2017). Core inflation was printed at +3.05%yoy (vs 3.07% in Oct 2017). Inflation was mainly caused by higher food ingredients also processed food, beverage, cigarette and tobacco prices. In the Board of Governors' Meeting on 16 Nov 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 appreciated by +0.43% to 13,514/USD at end of Oct 2017 from 13,572/USD in previous month. Trade balance booked surplus of USD 0.90bn (non-oil and gas surplus USD 1.69bn, oil and gas deficit USD 0.79bn) in Oct 2017. Export rose by +18.39% YoY mostly driven by ore, crust and metal ash, while imports rose by +23.33% YoY. Indonesia's foreign reserves decreased USD 2.85bn to USD 126.55bn in Oct 2017 from USD 129.40bn in Sep 2017. The decrease was primarily attributable to foreign debt repayment and Rupiah stabilization also related to the reduction of foreign exchange placement in central bank for the need of payment.

The JCI ended the month lower at 5,952.14 (-0.89% MoM). Market laggards were BBKA, INTP, SMGR, INDF, and CPIN as they fell -2.63%, -17.93%, -13.76%, -10.67% and -11.52% MoM respectively. The index posted its first monthly loss (-0.9% MoM) since Feb'17 as the market was hit by MSCI rebalancing. Indonesia's weighting in MSCI Emerging Market index has decreased; which triggered Foreign Index Fund and ETF to rebalance their portfolio, reflected on foreign net outflow of US\$1.4bn. On the domestic front, investors viewed consumers sector will become the 2018 story supported by regional elections as well as increase in central gov't policies favouring energy and credit subsidies which will likely spur lower-end consumption. All in all, the implication here is without a pick up in investment, real GDP growth is set to remain at 5% in 2018. Meanwhile, from valuation perspective, our index's FY17 P/E of 17x is somewhat demanding while execution on earnings growth expectation of 10-15% YoY is remain to be seen. In term of risk, a sharp slowdown in Chinese growth, faster global rate environment and a US\$60/barrel breakout in oil prices will potentially pressure Indo Market and overall EM market in short-medium term. Sector wise, the Basic Industry Sector was the worst performing sector during the week, declining 7.15% MoM. Ticker wise, SIMA (Siwani Makmur) and IPOL (Indopoly Swakarsa Industry) were the laggards, depreciating 47.02% and 20.65% MoM respectively. This was followed by the Agriculture Sector which dropped 3.9% WoW. Ticker wise, BTEK (Bumi Teknokultura Unggul) and JAWA (JA Wattie) posted 40% and 18.7% MoM losses respectively. On the other hand, the best sector during the week was the Finance Sector, which recorded a gain of 1.37% MoM. Ticker wise, BVIC (Bank Victoria International) and PNBNI (Bank Pan Indonesia) were the movers which rose 22.77% and 22.02% MoM respectively.

#### Disclaimer:

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