

# SMARTWEALTH US DOLLAR EQUITY INDOASIA FUND

## September 2019

### BLOOMBERG: AZUSIAS:IJ

#### Investment Objective

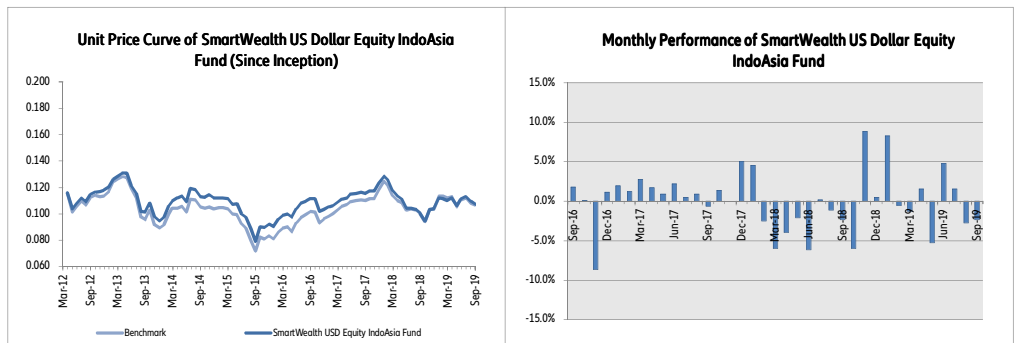
The objective of this fund is to provide maximum long term investment yield.

|                                       | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | YTD   | Since Inception |
|---------------------------------------|---------|----------|----------|--------|---------|-------|-----------------|
| SmartWealth US Dollar Equity IndoAsia | -2.37%  | -3.60%   | -2.81%   | 6.36%  | -2.19%  | 3.38% | -7.51%          |
| Benchmark*                            | -1.37%  | -3.54%   | -4.67%   | 6.47%  | 7.65%   | 2.97% | -7.74%          |

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

#### 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.



#### Return Performance

|                    |        |         |
|--------------------|--------|---------|
| Last 1-year period |        | 6.36%   |
| Best Month         | Oct-15 | 14.32%  |
| Worst Month        | Aug-13 | -11.54% |

#### Portfolio Breakdown

|              |        |
|--------------|--------|
| Equity       | 94.88% |
| Cash/Deposit | 5.12%  |

#### Top Five Stocks Holding

|                          |       |
|--------------------------|-------|
| Bank Central Asia        | 9.23% |
| Bank Rakyat Indonesia    | 6.69% |
| Telekomunikasi Indonesia | 5.40% |
| Bank Mandiri Persero     | 4.07% |
| Astra International      | 3.48% |

#### Country Breakdown (Stock)

|             |        |
|-------------|--------|
| Indonesia   | 78.86% |
| Philippines | 0.00%  |
| Hongkong    | 7.54%  |
| South Korea | 3.74%  |
| Malaysia    | 0.93%  |
| Singapore   | 0.04%  |
| Taiwan      | 1.99%  |
| Thailand    | 1.78%  |

#### Key Fund Facts

|                       |                      |
|-----------------------|----------------------|
| Fund Size (in mn USD) | USD 46.81            |
| Risk Profile          | Aggressive           |
| Launch Date           | 01 May 2012          |
| Fund Currency         | United States Dollar |
| Pricing Frequency     | Daily                |
| Bid-Offer Spread      | 5.00%                |
| Management Fee        | 2.00% p.a.           |

#### Manager Commentary

The Asian market had an overall return of 8.76% for the month of January. Amongst Asian countries, the market top performers were China (+11.06%) and Korea (+10.32%). The region bottom performers were Malaysia (+1.37%) and Taiwan (+1.72%). China was a top performer due to decreasing US-China trade tension. US-China trade issues improved and the risk of Fed interest rate hikes diminished. Decreasing US-China trade tension also helped Korea performance for the month. Korea was also a top performer due to the Korean won appreciated against the US dollar.

Central Bureau Statistics of Indonesia (BPS) announced September 2019 deflation at -0.27% mom (vs consensus inflation -0.15%, +0.12% in August 2019). The deflation in this month was caused by decrement on food prices, especially chilli prices. On yearly basis, inflation was +3.39% yoy (vs consensus inflation +3.52%, +3.49% in August 2019). The contributor of yearly inflation was still affected by the increment of school fees ahead of new school academic year and clothing prices. Core inflation was printed at +3.32% yoy (vs consensus inflation +3.30%, +3.30% in August 2019). In the Board of Governors' Meeting on 18th and 19th September 2019, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 5.25%, while also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 4.50% and 6.00%, respectively. The reason for this policy is due to Indonesia's inflation is still lower enough. Bank Indonesia also do refinement for macro prudential policies for LTV and RIM. Rupiah appreciated by +0.44% to 14,174/USD at end of September 2019 from 14,237/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD +85.1mn in August 2019 vs previous month deficit USD -0.63mn. Both of export and import growth was declining this month, but import growth declined faster than export growth. Thus, it impacted surplus in August 2019. Non-oil and gas trade balance in August 2019 recorded surplus USD 0.84bn, higher than the previous month which was resulting surplus amounting to USD 0.079bn. Meanwhile, oil and gas trade balance still recorded deficit to USD -0.756bn in August 2019, worsen than deficit on July 2019 amounting to USD -0.142bn. The deficit was still caused by higher oil products imports. Indonesia's official foreign reserve as of September 2019 was at USD 124.3billion, lower than August 2019's number at USD 126.4billion. The decrement in the reserve assets per Aug 2019 was caused by government external debts repayments.

The JCI ended the month lower at 6,169.1 (-2.52% MoM). Market laggards were HMSP, GGRM, UNVR, BBRI, and TLKM as they fell -14.87%, -24.61%, -4.81%, -3.51% and -3.15% MoM respectively. The stock market continued its decline in September as global leading indicators continues to show weakness. A stubborn global PMI at below 50 also triggered several central banks to cut interest rates to stimulate economic growth. On the domestic front, the government's plan to raise cigarette excise tax by 23% in 2020 which puts a pressure on cigarette names in addition to a benign grassroots wage growth. The Banking/Financial sector also showed strains as asset quality ticked upwards slightly and loan book growth looks to set on the softer side in months to come. Domestic consumption data early indicators looks weak as well as retailers post a softer trajectory same stores sales growth. The lack of short term catalyst had resulted in the JCI to contract by a notable -2.52% MoM. Sector wise, the Consumer Sector was the worst performing sector during the week, declining 8.08% MoM. Ticker wise, INAF (Indofarma Persero) and GGRM (Gudang Garam) were the laggards, depreciating 24.75% and 24.61% MoM respectively. This was followed by the Basic Industry Sector which dropped 3.62% MoM. Ticker wise, YPAS (Yanaprima Hastapersada) and ALMI (Alumindo Light Metal Industry) posted 23.21% and 21.25% MoM losses respectively. On the other hand, the best sector during the week was the Agriculture Sector, which recorded a gain of 1.24% MoM. Ticker wise, LSIP (Perusahaan Perkebunan London Sumatra) and ANJT (Austindo Nusantara Jaya) were the movers which rose 6.64% and 4.46% MoM respectively.

#### Disclaimer:

SmartWealth US Dollar 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 Sep 30, 2019) | USD 0.1017 | USD 0.1071 |