

Eastspring Investments – Indonesia Equity Fund



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RATINGS^{AA} Class C **Morningstar Overall Rating** ★★★★★

FUND DETAILS

Fund size (mil)	183.7
Fund base currency	USD
Fund dealing frequency	Daily
Net asset value (Class C)	USD 9.983
ISIN (Class C)	LU0801102780
Inception date (Class C)	09-Jul-12
Reference index	MSCI Indonesia 10/40 Index

FUND MEASURES

Number of Securities	32
*3 year tracking error (Class C)	3.7
*3 year sharpe ratio (Class C)	0.0
*3 year volatility (Class C)	20.0

*Source: Morningstar

SECTOR WEIGHTS (%)

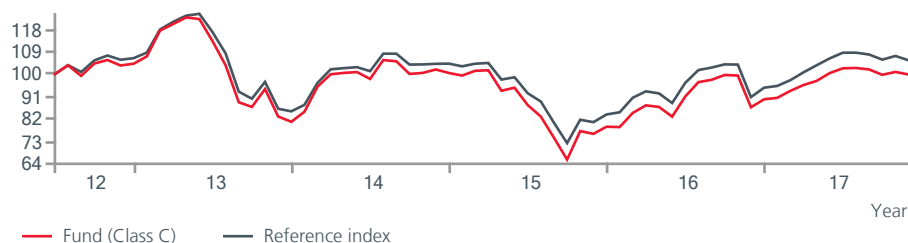
Financials	32.1
Consumer staples	16.9
Consumer discretionary	11.9
Telecommunication services	9.9
Real estate	6.8
Materials	6.6
Energy	5.3
Industrials	3.2
Health care	3.1
Cash and others	4.2

INVESTMENT OBJECTIVE

This Sub-Fund aims to maximize long-term total return by investing primarily in equity and equity-related securities of companies, which are incorporated, listed in or have their area of primary activity, in Indonesia. The Sub-Fund may also invest in depositary receipts including ADRs and GDRs, debt securities convertible into common shares, preference shares, and warrants.

PERFORMANCE

Cumulative returns (price indexed)



	Cumulative returns (%)				Annualised returns (%)			
	1 m	3 m	YTD	1 y	3 y (p.a.)	5 y (p.a.)	10 y (p.a.)	Since inception (p.a.)
Class C	-1.0	-2.0	11.1	15.2	-0.7	-0.7	–	0.0
Reference index	-1.6	-2.2	11.6	16.3	0.4	0.0	–	1.0
Relative	0.6	0.2	-0.5	-1.1	-1.1	-0.7	–	-1.0

	Rolling 12-month returns (%)					
	From	30 Nov 2016	30 Nov 2015	30 Nov 2014	30 Nov 2013	30 Nov 2012
To	30 Nov 2017	30 Nov 2016	30 Nov 2015	30 Nov 2014	30 Nov 2013	30 Nov 2012
Class C		15.2	14.0	-25.4	22.7	-19.8
Reference index		16.3	12.5	-22.5	20.9	-18.6
Relative		-1.1	1.5	-2.9	1.8	-1.2

(p.a.): per annum. Source: Eastspring Investments (Singapore) Limited. Returns are based in USD and computed on NAV-NAV basis with net income reinvested, if any. Since inception returns for periods less than a year are not annualised. From inception to 31-Dec-15, the reference index was the Jakarta Composite Index.

TOP 10 HOLDINGS (%)

1.	BANK RAKYAT INDONESIA (PERSERO)	9.8
2.	BANK CENTRAL ASIA	8.4
3.	TELEKOMUNIKASI INDONESIA	8.4
4.	ASTRA INTERNATIONAL	6.9
5.	BANK NEGARA INDONESIA (PERSERO)	6.3
6.	BANK MANDIRI (PERSERO)	5.1
7.	GUDANG GARAM	4.3
8.	MATAHARI DEPARTMENT STORE	4.1
9.	UNILEVER INDONESIA	3.4
10.	INDOCEMENT TUNGGAL PRAKARSA	3.3

SHARE CLASS DETAILS

Share class	Currency	Bloomberg ticker	ISIN	Inception date	Initial sales charges % (max)	Annual management fee% (max)	Annual admin fee % (max)	*Minimum initial investment	*Minimum subsequent investment	Distribution frequency	Ex-date	Dividend per share	Annual dividend yield %
A	USD	IOFINEA LX	LU0307460823	02-Jul-07	5.000	1.500	0.500	USD500	USD50	N.A.	N.A.	N.A.	N.A.
As	SGD	IOIEASS LX	LU0588546548	07-Feb-11	5.000	1.500	0.500	USD500	USD50	N.A.	N.A.	N.A.	N.A.
B	USD	ESIDOBUX LX	LU0846000163	15-Oct-12	5.000	0.900	Nil	USD5 Mil	USD1,000	N.A.	N.A.	N.A.	N.A.
C	USD	ESINCUX LX	LU0801102780	09-Jul-12	5.000	0.750	Nil	USD10 Mil	USD1,000	N.A.	N.A.	N.A.	N.A.

Distributions are not guaranteed and may fluctuate. Past distributions are not necessarily indicative of future trends, which may be lower. Distribution payouts and its frequency are determined by the Board of Directors, and can be made out of (a) income; or (b) net capital gains; or (c) capital of the Fund or a combination of any of (a) and/or (b) and/or (c). The payment of distributions should not be confused with the Fund's performance, rate of return or yield. Any payment of distributions by the Fund may result in an immediate decrease in the net asset value per share. Funds with Monthly and Quarterly Distribution Frequency: Annual Dividend Yield = (Dividend amount / Reference NAV) x (No. of calendar days in a year / No. of calendar days in distribution period) x 100%. Funds with Yearly Distribution Frequency: Annual Dividend Yield = (Dividend amount / Total Net Assets) x (No. of calendar days in a year / No. of calendar days in distribution period) x 100%. *Or their near equivalent in any major freely convertible currency of the amounts specified. "N.A.": This share class does not distribute dividends.

Share class	Currency	Cumulative returns (%)				Annualised returns (%)				Rolling 12-month returns (%)				
		1 m	3 m	YTD	1 y	3 y (p.a.)	5 y (p.a.)	10 y (p.a.)	Since inception (p.a.)	30 Nov 2016 - 2017	30 Nov 2015 - 2016	30 Nov 2014 - 2015	30 Nov 2013 - 2014	30 Nov 2012 - 2013
A														
Fund	USD	-1.1	-2.3	9.9	13.8	-1.9	-1.9	3.2	5.1	13.8	12.6	-26.3	21.2	-20.7
Reference index	USD	-1.6	-2.2	11.6	16.3	0.4	0.0	5.7	7.4	16.3	12.5	-22.5	20.9	-18.6
Relative	USD	0.5	-0.1	-1.7	-2.5	-2.3	-1.9	-2.5	-2.3	-2.5	0.1	-3.8	0.3	-2.1
As														
Fund	SGD	-2.3	-3.1	2.5	7.2	-0.8	0.0	-	0.6	7.2	14.1	-20.2	25.9	-18.5
Reference index	SGD	-2.7	-2.9	4.1	9.3	1.5	1.9	-	3.4	9.3	14.3	-16.2	25.8	-16.4
Relative	SGD	0.4	-0.2	-1.6	-2.1	-2.3	-1.9	-	-2.8	-2.1	-0.2	-4.0	0.1	-2.1
B														
Fund	USD	-1.0	-2.0	11.0	15.1	-0.7	-0.8	-	-1.1	15.1	14.0	-25.4	22.6	-19.8
Reference index	USD	-1.6	-2.2	11.6	16.3	0.4	0.0	-	-0.2	16.3	12.5	-22.5	20.9	-18.6
Relative	USD	0.6	0.2	-0.6	-1.2	-1.1	-0.8	-	-0.9	-1.2	1.5	-2.9	1.7	-1.2
C														
Fund	USD	-1.0	-2.0	11.1	15.2	-0.7	-0.7	-	0.0	15.2	14.0	-25.4	22.7	-19.8
Reference index	USD	-1.6	-2.2	11.6	16.3	0.4	0.0	-	1.0	16.3	12.5	-22.5	20.9	-18.6
Relative	USD	0.6	0.2	-0.5	-1.1	-1.1	-0.7	-	-1.0	-1.1	1.5	-2.9	1.8	-1.2

(p.a.): per annum. Source: Eastspring Investments (Singapore) Limited. Returns are based in share class currency and computed on NAV-NAV basis with net income reinvested, if any. Since inception returns for periods less than a year are not annualised. The reference index for the hedged share classes, if any, is also calculated on a hedged basis. From inception to 31-Dec-15, the reference index was the Jakarta Composite Index.

Commentary sources

1. Eastspring Investments (Singapore) Limited

COMMENTARY

Performance Review

Indonesian equities edged lower in November, with the MSCI Indonesia 10/40 index returning -1.6% in US dollar terms.

Third-quarter gross domestic product expanded 5.1% from a year ago, driven by strong growth in exports and investment. The expansion, however, missed economists' expectations as domestic consumption remained muted.

Headline inflation moderated for the fourth straight month to 3.6% year-on-year in October. The central bank kept its seven-day policy rate unchanged at 4.25%.

Key Contributors

The overweight in Matahari Department Store and Bank Negara Indonesia, as well as the underweight position in Indocement Tunggol, contributed to relative performance in November.

Matahari Department Store's share price rebounded in November following lacklustre performance year-to-date due to weak domestic consumption.

Shares of Bank Negara Indonesia ended higher in the month on the back of improving asset quality and earnings outlook, adding to its impressive year-to-date gains.

The underweight position in Indocement Tunggol also aided relative performance, with the company's shares falling amid concerns over intense competition and oversupply in the Indonesian cement market.

Key Detractors

The underweight in HM Sampoerna and Surya Citra Media, as well as the overweight position in Alam Sutera Realty, weighed on relative performance.

HM Sampoerna's share price rose in November, as the government's plan to consolidate excise tax brackets for cigarettes is expected to benefit large producers.

The overweight position in Alam Sutera Realty detracted from relative performance, as the developer's share price edged lower in November. The company trades at a significant discount to its appraised net asset value.

Surya Citra Media's share price recovered in November following a weak year-to-date performance. The company reported weaker-than-expected third-quarter results, but analysts are upbeat on advertising growth next year.

Fund Activity

In November, the Fund added to Telekomunikasi Indonesia and Astra International, while reducing its exposure to Summarecon Agung and Bank Rakyat Indonesia. The Fund also exited Media Nusantara Citra and Lippo Karawaci in view of their imminent removal from the MSCI Index.

Outlook

We remain constructive on the long-term outlook for Indonesia in view of the country's favourable demographics and healthy macro fundamentals.

Benign inflation and high real interest rates in Indonesia should enable Bank Indonesia to continue with its accommodative monetary policy stance to support economic growth without impacting currency stability.

The government's reduction of fuel subsidies and successful tax amnesty should also improve funding for infrastructure projects, which will contribute to longer-term economic growth.

We are mindful of the risk of currency volatility during periods of risk aversion due to Indonesia's current account deficit and reliance on external funding. We view any sharp market correction as an opportunity to accumulate fundamentally strong companies at more attractive valuations.

Among sectors, the valuations of a select group of banks and real estate companies remain attractive while consumer staples are expensive.

IMPORTANT INFORMATION

Investment manager -
**Eastspring Investments (Singapore)
Limited**

^^ Rating should not be taken as a recommendation.

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Morningstar Category: Indonesia Equity



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All transactions into the SICAV should be based on the current Prospectus and the Key Investor Information Document ("KIID") of the relevant sub-fund in applicable local language. Such documents, together with the articles of incorporation, the latest annual and semi-annual reports of the SICAV, may be obtained free of charge from the Management Company.

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