

January 2019

# Marketbeat

MONTHLY MARKET UPDATE EXCLUSIVELY FOR DBS TREASURES PRIVATE CLIENT

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## Featured articles

- Featured Story: US Rates: Late Cycle
- China: More policy support in the pipeline
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# US Rates: Late Cycle

- After five years of normalization, US monetary policy settings are close to neutral
- Aside from the already telegraphed slower pace of rate hikes, balance sheet reduction is likely to slow or stop
- The market has turned too pessimistic (pricing in a cut for 2019) and we think this should be faded
- Keeping in mind that we are in the late cycle, duration risks may turn more attractive once sentiment stabilises and yields drift higher

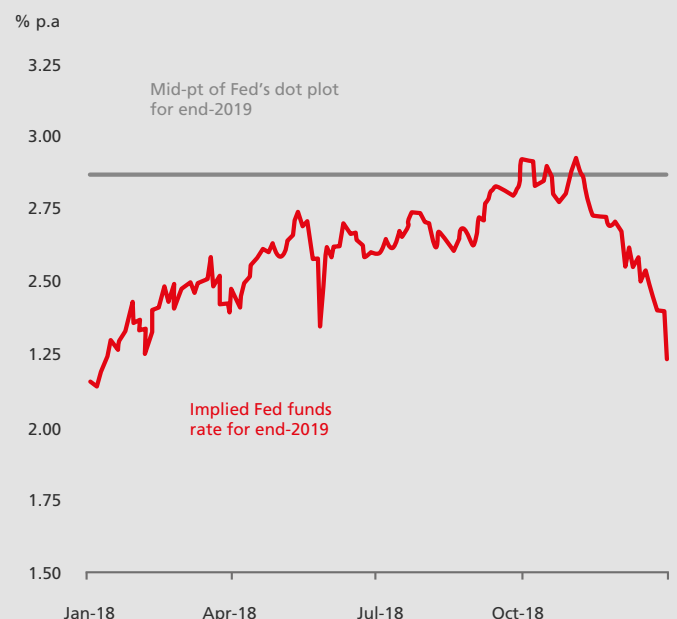
## LATE CYCLE

**The psyche of late cycle trading will be appropriate** for handling USD rates in 2019. The Fed has been embarking on policy normalisation over the past five years and **rate hikes will probably conclude sometime this year**. To recap, since early 2015, the Fed's balance sheet has shrunk by close to USD 500bn (the balance sheet size is currently about USD 4tn) while the Fed funds rate has increased by a cumulative 225bps (upper bound currently at 2.50%). While the strong labour market suggests that further hikes are in needed, **policy settings are probably close to neutral**. Moreover, **risk taking sentiment has deteriorated** due in part to the perceived autopilot twin tightening (rate hikes and balance sheet run-off) that has been taking place.

**2019 is likely to prove volatile even if the Fed dials down the pace of tightening**. The Fed has indirectly addressed market volatility and emphasized that policy making would be much more cautious going forward. We suspect that the pace of balance sheet reduction would slow (or even stop) relatively soon. This could be a more palatable way to sooth sentiment without adjusting short-term policy rates. Accordingly, we see two ways to navigate this difficult backdrop – **fading the extreme pessimism and taking duration risk when levels become more attractive**.

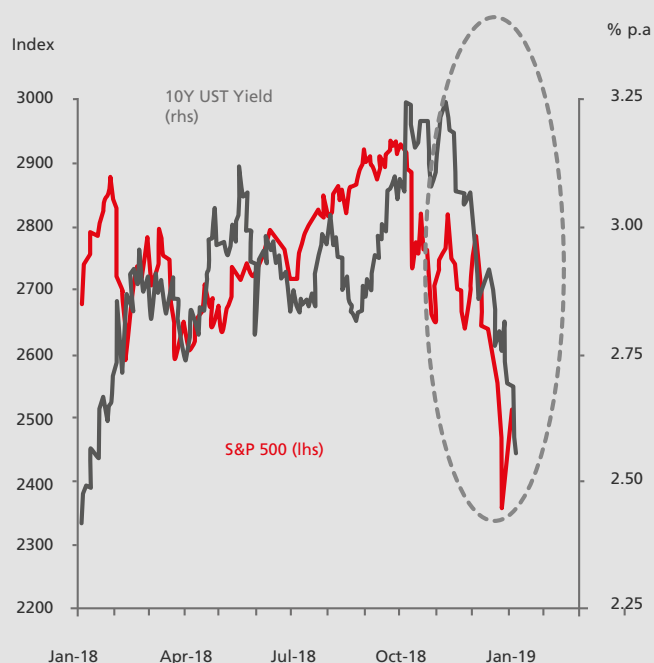
The selloff in US equities has been brutal with the S&P 500 down by close to 20% since end-September. Credit spreads (IG and HY) have also widened significantly. Unfortunately, the start of the year heralded declines across major stock indices before a bounce last Friday. We think that **USD rates are facing distortions to the downside amid risk aversion** and may have become unhinged from still-strong fundamentals. Notably, the market was pricing in an implied Fed funds rate of 2.93% in early November, but this figure has since dropped to 2.34%, pointing to a chance of a rate cut over the coming year. Once risk aversion wanes somewhat (when the VIX drops below 15), the market would price a Fed hold or 1-2 rate hikes again. The key risk to our outlook is a marked deterioration in the US economy, prompting the Fed to reverse course in 2019. **Fading the extreme negativity in the markets by selling the Dec-2019 Fed funds futures (selling Eurodollar futures or paying 1Y USD IRS are also possible) appears to be a good risk-to-reward play**.

The market has turned too pessimistic



Source: Bloomberg, CEIC, DBS

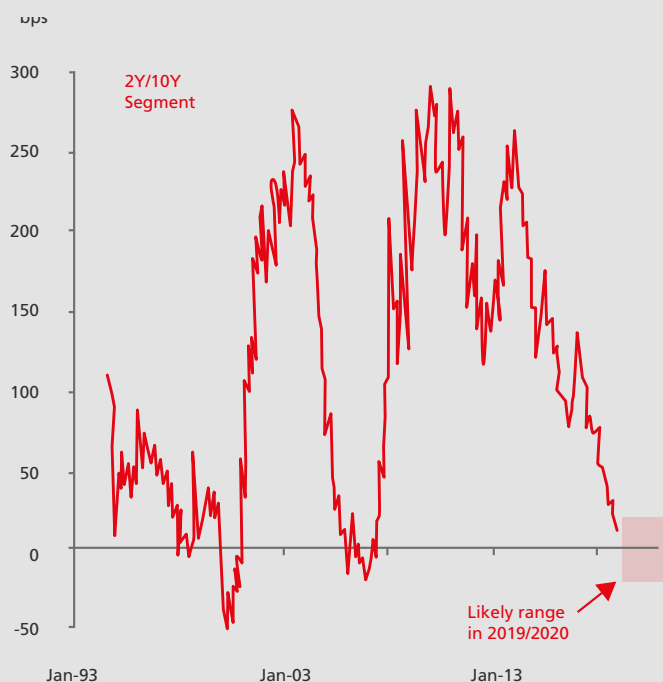
Awaiting better levels before going long duration as risk aversion keeps 10Y UST yields low



Source: Bloomberg

We think longer-tenor US Treasuries would be attractive as a medium-term play. On the macro front, a US slowdown appears inevitable over the coming two years (DBSf: 2.5% in 2019 and 1.5% in 2020). This suggests that the Fed would be on an extended pause in 2020 and may herald looser monetary policy down the line. Locking in fixed rate returns at appropriate levels could pay off. To be sure, some segments of the UST curve have jumped the recession gun with the 2Y/3Y, 2Y/5Y segments of the curve showing signs of inversion over the past few weeks. That said, the more closely watched 2Y/10Y segment is still some 20bps away from inversion.

2Y/10Y segment of UST curve to flatten/invert over the coming quarters



Source: Bloomberg

**We think 10Y USTs are attractive at 3% and less so at 2.50%.** Yields are depressed at the time of writing (10Y UST yields are at 2.67% even after Friday's bounce) but we suspect that in the absence of risk aversion, 10Y yields could drift towards 3%. The key risk to our long-duration view would be a resurgence in growth/inflation expectations and/or a loss of confidence in USD assets. In both cases, 10Y yields could push significantly above 3%.

Lastly, **we still see the UST curve (2Y/10Y) flattening over the course of the year**, tracing out familiar routes taken in past cycles. However, with just 20bps separating the two tenors, taking a curve view appears less interesting than taking a long-duration view when levels become more attractive.



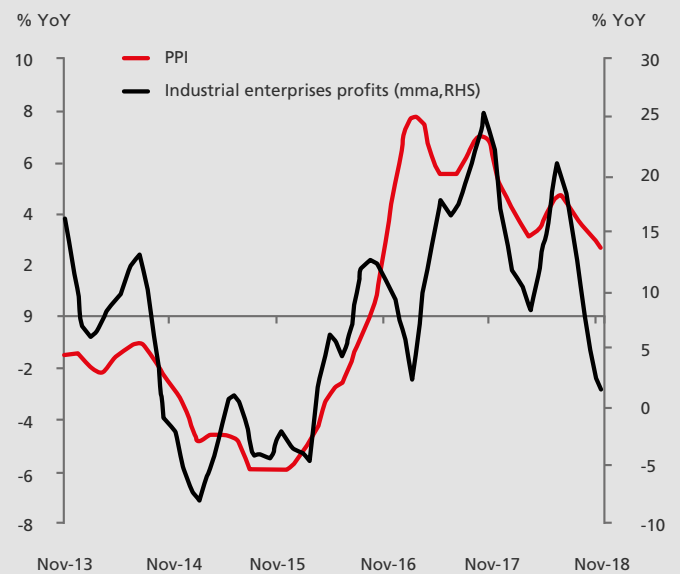
# China: More policy support in the pipeline

The People's Bank of China (PBoC) announced last Friday a blanket 100bps reduction of banks' reserve requirement ratio (RRR) to 13.5%. The reduction will be divided into two stages of 50bps, effective 15 January and 25 January respectively. Half of the freed-up liquidity will be used by banks to repay medium-term lending facility (MLF) loans. The net impact would be a cash injection of RMB800bn, the largest of the five cuts since 2018.

The timing of the move is in line with our expectation. **Sizable cash injection is warranted before Lunar New Year to offset huge drain of cash demand from households.** Corporate tax payments and maturities of interbank debts also prompted authority to replenish liquidity. By our estimation, the former will drain about RMB1tn from the system and RMB800bn for the latter.

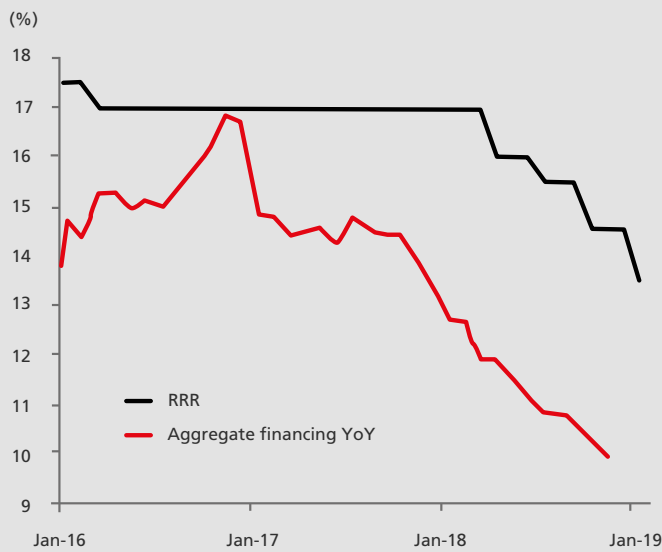
**This reduction, the first all-inclusive cut since March 2016, also reflects government's heightening concerns over the worsening outlook.** Retail sales growth tumbled to its lowest level in 15 years in November due to plunging car sales accounted for two-thirds of consumer durables. Trade data were weak due to faltering global demand. PMI also contracted after two years of expansion. As a result, industrial profits contracted for the first time in three years (Chart 1).

Chart 1: PPI vs profits



**Economic uncertainties created by the lingering trade war will continue to dampen confidence before a deal is reached on 1 March.** The China-US negotiations this week will be closely watched. Even if a partial deal is reached, broader tensions between the two nations on technology and industrial policy will remain, thereby impinging investment sentiments. PBoC's monetary policy will remain accommodative. We expect two more reductions on the reserve ratio alongside cutting reverse repo rate.

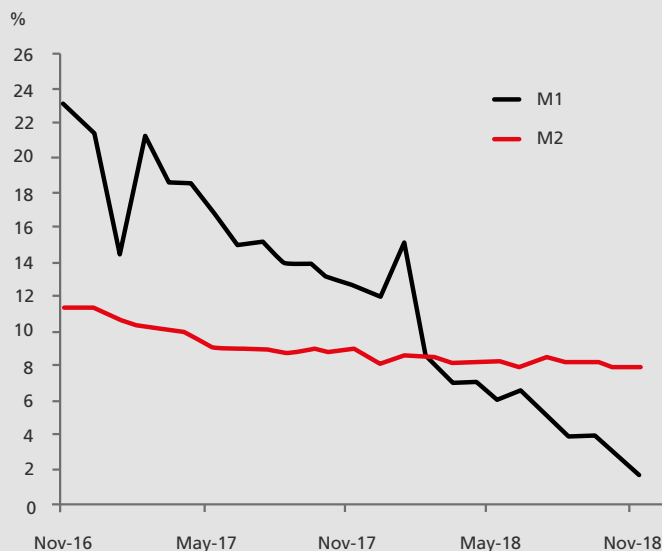
Chart 2. Aggregate financing and Required Reserve Ratio (RRR)



**Unclogging the transmission mechanism is crucial.**

Despite a pro-growth policy tilt since H2 2018, credit expansion has not improved meaningfully due to heightening risk aversion. Aggregate financing moderated for the 16th consecutive month in November (Chart 2). Smaller companies face tremendous difficulties in securing loans in spite of high borrowing costs. The deterioration of corporate cash flow is evident by collapsing M1 growth (Chart 3).

Chart 3. M1 and M2 YoY growth



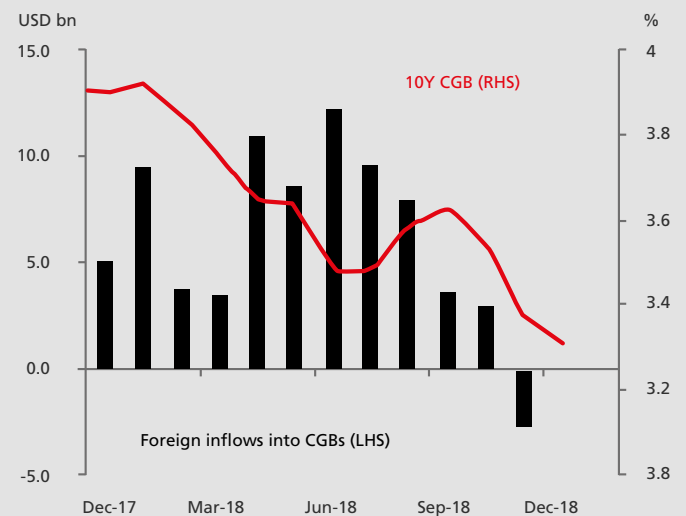
More measures are warranted to rectify policy transmission. In our view, the parameters for Macro-Prudential Assessments should be relaxed so as to strengthen banks' lending ability without compromising too much on risk assessments. Accelerating the pace of bad-loan sales is also an option.

The latest RRR cut would pose limited pressure on the CNY in the short term. Benign domestic inflation and a less hawkish Fed are providing leeway for PBoC to manoeuvre its toolkit. Meanwhile, the authority has repeatedly signalled tougher currency management since November in order to restrain capital outflow.

**BULLISH 10Y GOVVIES**

Friday's RRR cut is probably the first of several easing steps for 2019 and underpins our view that CNY rates will be held low in the coming quarters. Our China Nowcast model continues to show a downward trend in China's growth trajectory. Growth is projected to fall below 6.5% in 4Q2018 and below 6.0% in 1Q2019. This combination of slowing growth, increasing liquidity, further stimulus and easing should provide for a very favourable backdrop for China Government Bonds (CGBs). In 2019, we expect CGB yields to stay low and see the 10Y tenor (3.31% at end-2018) falling towards 3% in the short term.

Chart 4. CGB yields decoupled from rising global rates amid strong inflows and weak growth outlook



Source: Bloomberg

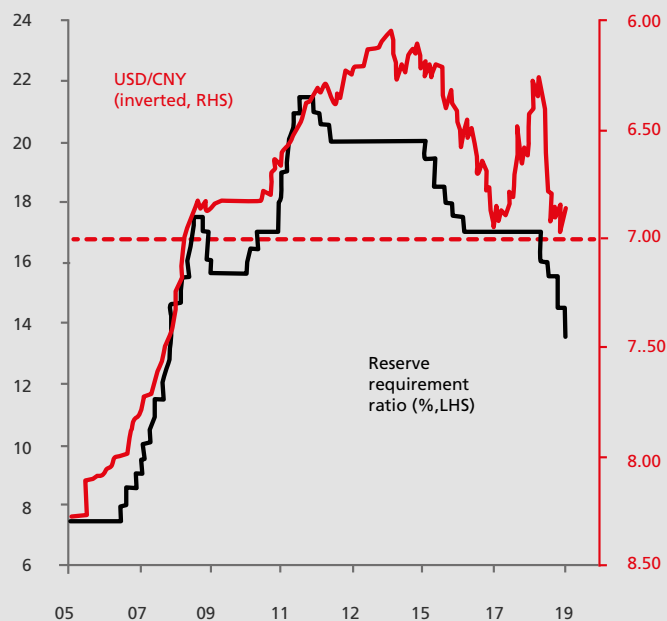
Foreign inflows into CGBs have been very strong in 2018 (USD70bn through November) while much of EM saw outflows. Global investors could continue to find CGBs attractive for their prospect of capital gains (from falling yields) and portfolio diversification (from low correlation to US Treasuries). Foreign demand should also get a big boost from CGBs' upcoming inclusion in the Bloomberg Barclays Global Aggregate Index (expected April 2019). With USD2.5tn of AUM tracking the index, CGBs could see inclusion inflows of USD22-27bn in 2019 (based on 5.5% weight to be phased-in over 20 months and roughly equal split between CGBs and policy banks bonds).

To be sure, onshore interest rates have fallen significantly and positive new narrative on a possible China-US trade deal could drive yields higher. However, we think that China is still in the midst of a cyclical slowdown and there is little fundamental reason why rates should head higher just yet.

### CHINESE YUAN IS STILL AT RISK OF BREAKING BELOW 7

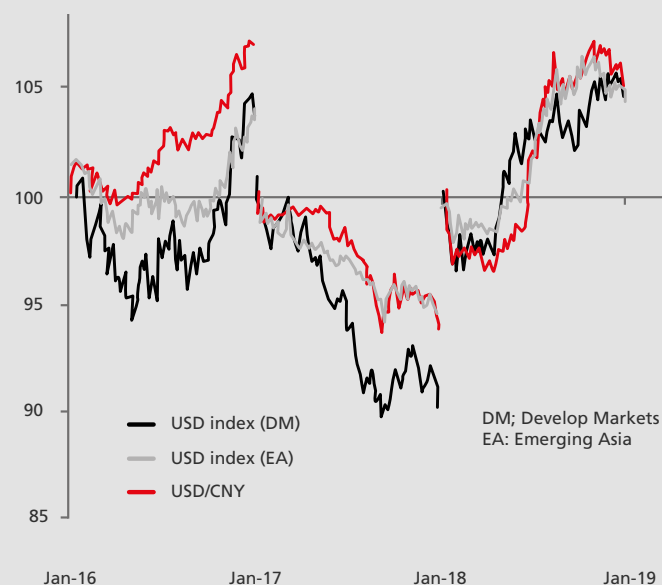
China's latest decision to lower the RRR by a total 100 bps in January underpins our expectations for the Chinese yuan to depreciate past 7 against the US dollar in 2019. We see two more reductions in the RRR totalling another 100-200bps later this year. Pay attention to the real GDP data release on 21 January; growth could fall below 6.5% YoY for the first time since 2009. This will support our call for China's economy to slow to 6.2% in 2019 from 6.6% in 2018.

Chart 5. CNY to fall past 7 vs USD as China cushions its economy against trade tensions



On the other side of currency pair, we see another two increases in the Fed Funds Rate (in 2Q and 3Q) totalling 50bps to 3%. This should keep the US dollar firm against the currencies of China's trading partners especially those in Asia. After the one-off devaluation in August 2015, the yuan has been increasingly aligned with the major USD indices on an indexed basis.

Chart 6. USD/CNY is aligned with global USD trends Indexed to previous year-end levels



Until the outcome in latest US-China trade truce proves as substantial as the working level discussions, the risk remains for more tariffs on each other's goods. According to our estimates, if the US reinstates the decision to lift the tariff rate on USD200bn worth of China's goods to 25% from 10%, the yuan could depreciate to 7.30. Under the worst-case scenario, US will impose a 25% tariff on the remainder of China's goods. This could pressure the yuan to 8 with negative spill-over effects into other Asian currencies.



# Top-10 Investment Strategies for 2019: #3 Long Indonesian equities

- Expect Indonesia equities to outperform in 2019
- Easing macro concerns should lead to return of foreign risk appetite
- We believe the market is under-owned
- The economy should be relatively more resilient amid a global cyclical slowdown trend as it is driven by domestic demand

hawkish Fed would somewhat help to stabilise and even lift the bond market and currency.

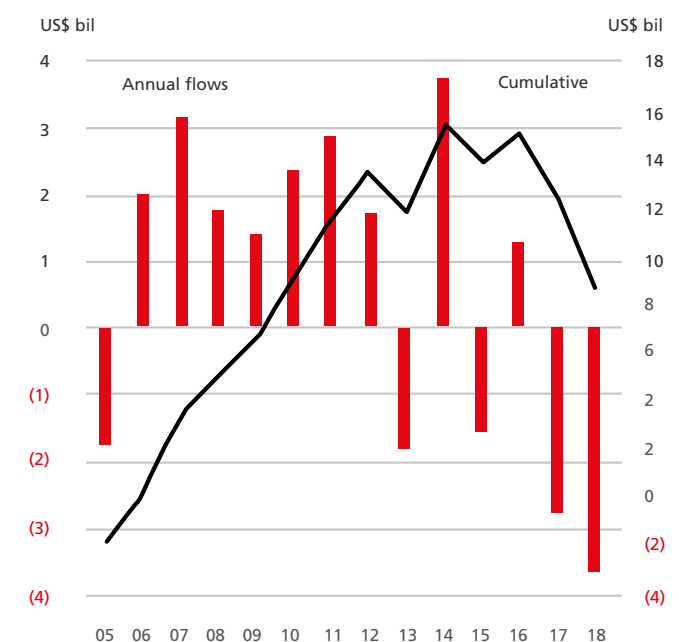
We believe the bulk of outflow in Indonesia has already happened and the market should be relatively underowned. The upcoming presidential election in April 2019 is unlikely to be a big surprise risk factor as it is going to be a repeat between Jokowi and Prabowo, as in 2014. On the contrary, one can expect domestic consumption to benefit from the pre-election populist approach.

The performance of Indonesia's equity market in 2018 was largely affected by rising US rates, higher US Treasury yields, and stronger USD. Some of these external pressures could start to improve, especially the oil price to which Indonesia is highly sensitive.

Global growth is expected to slow down in 2019. But the downgrades to Indonesia's growth forecast should be quite minimal as its economy is less cyclical compared to other North Asian markets. By now, investors should have also gotten used to the low 5% GDP growth for Indonesia as it has been consistently growing at this pace in the last five years, driven by steady consumption. We expect GDP growth in 2019 to improve just slightly to 5.2% vs. our forecast of 5.1% in 2018. Domestic consumption is expected to benefit from the populist approach running up to the election in April 2019.

Meanwhile, the rupiah touched its all-time low in early 4Q18. While still faced with the challenge of twin deficits undermining its external balance sheet strength, a less

Indonesian equity foreign outflows, annual and cumulative - Unprecedented in 2018



Source: Bloomberg Finance L.P., DBS

## KEY FORECAST

	GDP Growth, % YoY				CPI Inflation, % YoY, ave			
	2017	2018F	2019F	2020F	2017	2018F	2019F	2020F
China	6.9	6.6	6.2	6.0	1.6	2.1	2.3	2.3
Hongkong	3.8	3.3	2.5	2.0	1.5	2.5	2.7	2.5
India*	7.1	6.7	7.1	7.4	4.5	3.6	4.0	4.2
Indonesia	5.1	5.1	5.2	5.1	3.8	3.2	3.8	3.6
Malaysia	5.9	4.7	4.5	4.2	3.8	1.1	2.5	1.6
Philippines**	6.7	6.3	6.5	6.4	2.9	5.3	4.7	3.8
Singapore	3.6	3.4	3.0	2.8	0.6	0.7	1.8	1.5
South Korea	3.1	2.7	2.6	2.4	1.9	1.5	1.7	1.6
Taiwan	2.9	2.7	2.2	1.8	0.6	1.4	1.0	1.0
Thailand	3.9	4.1	3.8	4.0	0.7	1.1	1.4	1.5
Vietnam	6.8	6.9	6.6	6.3	3.5	3.6	3.8	3.4
Eurozone	2.5	1.9	1.8	1.8	1.5	1.8	1.4	1.4
Japan	1.7	1.0	1.0	0.5	0.5	1.0	1.1	1.6
United States***	2.3	3.0	2.5	1.5	2.1	2.6	2.5	2.5

\*refers to year ending March \*\*new CPI series \*\*\*eop for CPI inflation

Exchange rates, eop								
	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
China	7.10	7.20	7.15	7.10	7.05	7.00	6.95	6.90
Hong Kong	7.85	7.85	7.84	7.83	7.82	7.81	7.80	7.79
India	74.0	75.0	76.0	77.0	76.5	76.0	75.5	75.0
Indonesia	15,000	15,200	15,400	15,600	15,500	15,400	15,300	15,200
Malaysia	4.25	4.30	4.28	4.25	4.23	4.20	4.18	4.15
Philippines	53.50	54.00	54.50	55.00	54.80	54.50	54.30	54.00
Singapore	1.42	1.44	1.43	1.42	1.41	1.40	1.39	1.38
South Korea	1,180	1,200	1,190	1,180	1,170	1,160	1,150	1,140
Thailand	33.5	34.0	33.8	33.5	33.3	33.0	32.8	32.5
Vietnam	23,500	23,600	23,550	23,500	23,470	23,440	23,410	23,380
Australia	0.68	0.66	0.67	0.68	0.69	0.70	0.71	0.72
Eurozone	1.10	1.08	1.09	1.10	1.11	1.12	1.13	1.14
Japan	116	118	117	116	115	114	113	112
United Kingdom	1.26	1.24	1.23	1.22	1.23	1.24	1.25	1.26

Australia, Eurozone, and United Kingdom are direct quotes

Policy interest rates, eop								
	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
China*	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
India	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Indonesia	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Malaysia	3.25	3.25	3.25	3.25	3.25	3.25	3.00	3.00
Philippines	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Singapore**	1.80	2.05	2.30	2.30	2.30	2.30	2.30	2.30
South Korea	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Taiwan	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Thailand	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Vietnam***	6.25	6.25	6.25	6.25	6.00	5.75	5.75	5.75
Eurozone	0.00	0.00	0.00	0.00	0.25	0.25	0.50	0.50
Japan	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	0.00	0.00
United States	2.50	2.75	3.00	3.00	3.00	3.00	3.00	3.00 h

\*1-year lending \*\*3M SOR \*\*\*Prime rate

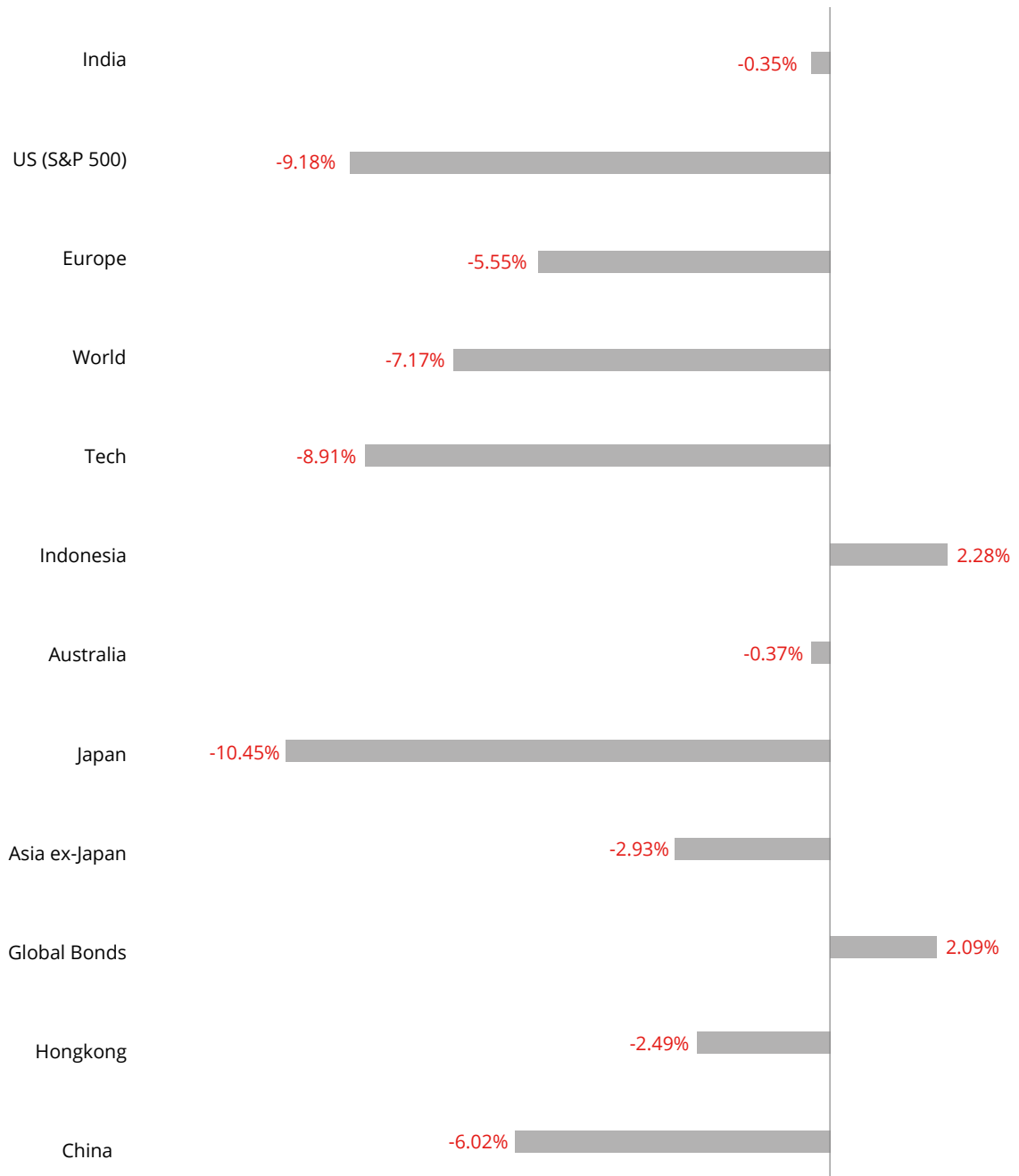




# Indonesian Tactical Asset Allocation – 4Q18

Asset Class	Type	3 month view	12 month view	Rationale for weighting
Indonesia Equities	Equities	Overweight	Overweight	We remain convicted on Asia ex-Japan equities, given their earnings superiority and attractive valuation, respectively.
Indonesia Bonds	Long-Term Bonds	Neutral	Neutral	The worst of the rate hike cycle for the Fed and Bank Indonesia is behind us. Accordingly, there is scope for investors to pick up beaten down EM Asia assets. There is still considerable premium to be picked up from still-high Indonesia yields
	Short & Mid Term Bonds	Positive	Neutral	
Cash	N/A	Overweight	Neutral	

Source: DBS Chief Investment Office



Ending December 2018 The Jakarta Composite Index (JCI) closed in positive territory +2.28%. 6 out of 9 sectors in the JCI gave positive contribution and by the equity market closing show that JCI usually strengthen in month of December.

Source: Bloomberg



## CURRENCIES

	CLOSING NOV	CLOSING DEC	CHANGE
EUR/USD	1.13	1.15	1.33
GBP/USD	1.27	1.28	0.04
AUD/USD	0.73	0.70	-3.52
NZD/USD	0.69	0.67	-2.23
USD/JPY	113.57	109.69	-3.42
CHF/USD	1.00	0.98	-1.58
USD/IDR	14,302	14,390	0.62

Source: Bloomberg

## KEY GLOBAL INDICES

	Last	Month-on-Month (%)	YTD (%)
DOW JONES INDUS. AVG	23327.46	-8.66	-5.63
S&P 500 INDEX	2506.85	-9.18	-6.24
NASDAQ COMPOSITE INDEX	6635.28	-9.48	-3.88
FTSE 100 INDEX	6728.13	-3.61	-12.48
GERMAN DAX	10558.96	-6.20	-18.26
NIKKEI 225	20014.77	-10.45	-12.08
STXE 600 €	337.65	-5.55	-13.24

## FIXED INCOME

	Last	Month-on-Month (%)	YTD (%)
ID Govt Bond Yield 1 Year	6.33	-0.55	20.45
ID Govt Bond Yield 2 Year	7.29	-0.78	31.58
ID Govt Bond Yield 5 Year	7.91	1.11	32.58
ID Govt Bond Yield 10 Year	8.03	2.01	27.00

## ECONOMIC INDICATORS

	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Bank Indonesia 7D Reverse Repo (%)	5.25	5.25	5.50	5.75	5.75	6.00	6.00
Inflation YoY (%)	3.12	3.18	3.20	2.88	3.16	3.23	3.13
Export YoY (%)	11.47	19.33	4.15	2.36	4.21	-3.28	***
Import YoY (%)	12.66	31.56	24.65	14.25	23.99	11.68	***
Trade Balance (M)	1,742.60	-2,030.30	-1,021.40	314.00	-1,773.40	-2,050.00	***
Consumer Confidence	128.10	124.80	121.60	122.40	119.20	122.70	127.00
Foreign Reserve (B)	119.84	118.31	117.90	114.85	115.16	117.21	120.65

Source: Bloomber \*\*\*\* The data has not published when the report is written

## COMMODITIES

	Last	52W Hi	52W Lo
Gold	1282.49	1366.15	1160.39
Oil	45.41	76.90	42.36
Wheat	503.25	593.00	413.25
Corn	375.00	412.25	329.75
Soybean	882.50	1071.00	810.50
323.40	332.50	388.90	307.40
Coffee	101.85	139.40	98.55

## KEY ASIA &amp; EMERGING MARKET INDICES

	Last	Month-on-Month (%)	YTD (%)
MSCI ASIA EX JAPAN	596.60	-2.93	-16.38
STRAITS TIMES INDEX	3068.76	-1.57	-9.82
HANG SENG INDEX	25845.70	-2.49	-13.61
SHANGHAI SE COMPOSITE	2493.90	-3.64	-24.59
BSE SENSEX 30 INDEX	36068.33	-0.35	5.91
TAIWAN TAIEX INDEX	9727.41	-1.62	-8.60
FTSE Bursa Malaysia KLCI	1690.58	0.64	-5.91
KOSPI INDEX	2041.04	-2.66	-17.28
JAKARTA COMPOSITE INDEX	6194.50	2.28	-2.54
STOCK EXCH OF THAI INDEX	1563.88	-4.75	-10.82
BRAZIL BOVESPA INDEX	87887.26	-1.81	15.03
RUSSIAN RTS INDEX \$	1066.13	-5.33	-7.65

Source: Bloomberg

Note that all performance figures are in local currency terms , as end of Dec. 2018

No	Money Market Fund	NAV	1 Mo	3 Mo	6 Mo	1 Yr	3 Yr	5 Yr	YTD	Update	Fee
1	MANULIFE DANA KAS II	1,399.21	0.44%	1.26%	2.23%	4.41%	16.73%	33.75%	4.41%	12/28/18	0%
2	SCHRODER DANA LIKUID	1,340.24	0.41%	1.42%	2.35%	3.99%	14.10%	28.61%	3.99%	12/28/18	0%
3	MANDIRI INVESTA PASAR UANG	1,394.22	0.37%	1.16%	2.12%	4.39%	16.52%	32.32%	4.39%	12/28/18	0%
4	BATAVIA DANA KAS MAXIMA	1,414.62	0.42%	1.29%	2.40%	4.81%	17.35%	34.36%	4.81%	12/28/18	0%
5	BATAVIA DANA LIKUID ^	1,158.09	0.34%	0.93%	1.59%	2.65%	7.00%	-	2.65%	12/28/18	0%
6	BNP PARIBAS RUPIAH PLUS	2,083.98	0.35%	1.04%	1.99%	3.36%	10.39%	23.59%	3.36%	12/28/18	0%

\* BDL performance reflects lower return due to adjustment in Fund strategy. Please refer to Fact Sheet for actual performance.

No	Fixed Income Fund	NAV	Sharpe	Alpha	Beta	StDev	1 Mo	3 Mo	6 Mo	1 Yr	3 Yr	5 Yr	YTD	1 Wk	1 Day	Update	Fee
1	ASHMORE DANA OBLIGASI NUSANTARA	1,305.01	-1.48	-	-	6.44	-0.33%	2.62%	2.78%	-2.89%	24.50%	41.41%	-2.89%	0.19%	0.00%	12/28/2018	2.00%
2	BNP PARIBAS PRIMA II	2,216.08	-1.41	-	-	7.05	-0.27%	2.40%	2.07%	-3.59%	20.09%	34.73%	-3.59%	0.04%	-0.03%	12/28/2018	2.00%
3	BNP PARIBAS PRIMA USD	1,1433	-0.68	-	-	4.58	2.35%	0.36%	2.60%	-1.61%	9.05%	18.13%	-1.61%	0.02%	0.00%	12/28/2018	2.00%
4	DANAREKSA MELATI PREMIUM DOLLAR	1,2493	-1.49	-	-	3.28	1.10%	0.05%	1.11%	-3.42%	6.23%	14.24%	-3.42%	-0.02%	-0.01%	12/28/2018	2.00%
5	FS INDONESIAN BOND FUND	3,064.07	-1.43	-	-	7.75	-0.33%	2.24%	1.35%	-5.18%	18.97%	33.76%	-5.18%	0.09%	-0.03%	12/28/2018	2.00%
6	MANULIFE OBLIGASI NEGARA INDONESIA 2*	2,030.60	-1.40	-	-	6.34	-0.09%	2.73%	1.69%	-2.56%	26.16%	38.47%	-2.56%	0.09%	-0.01%	12/28/2018	0.00%
7	MANULIFE PENDAPATAN BULANAN 2*	1,085.71	-2.41	-	-	2.04	0.01%	0.41%	-0.03%	-3.22%	4.23%	3.31%	-3.22%	0.09%	-0.01%	12/28/2018	0.00%
8	MANULIFE USD FIXED INCOME FUND	1,1310	-2.27	-	-	2.67	0.54%	-0.12%	0.81%	-3.23%	-	-	-3.23%	0.00%	0.00%	12/28/2018	0.00%
9	SCHRODER DANA ANDALAN II	1,069.97	-5.65	-	-	-	0.13%	0.51%	0.51%	-0.31%	1.88%	4.59%	-0.31%	0.16%	0.00%	12/28/2018	0.50%
10	SCHRODER DANA MANTAP PLUS II	2,425.40	-1.41	-	-	6.39	-0.28%	2.47%	2.59%	-2.46%	22.77%	37.83%	-2.46%	0.13%	-0.01%	12/28/2018	1.00%
11	SCHRODER USD BOND FUND	1,4609	-1.72	-	-	2.40	0.69%	0.17%	1.01%	-2.04%	3.61%	8.29%	-2.04%	0.03%	0.01%	12/28/2018	1.00%
12	EASTSPRING INVESTMENTS YIELD DISCOVERY	1,354.91	-1.25	-	-	7.16	-0.36%	2.32%	2.23%	-2.70%	24.85%	-	-2.70%	0.04%	-0.06%	12/28/2018	0.00%
13	EASTSPRING INVESTMENTS IDR HIGH GRADE	1,223.25	-1.29	-	-	7.63	0.06%	2.61%	2.53%	-3.49%	21.35%	-	-3.49%	0.07%	-0.01%	12/28/2018	0.00%

\* Manulife funds may incur Deferred Sales Charge

No	Balanced Fund	NAV	Sharpe	Alpha	Beta	StDev	1 Mo	3 Mo	6 Mo	1 Yr	3 Yr	5 Yr	YTD	1 Wk	1 Day	Update	Fee
1	BATAVIA USD BALANCED ASIA	1,1643	-1.00	-0.05	0.60	6.54	0.74%	0.75%	0.46%	-5.51%	11.53%	17.13%	-5.51%	-0.25%	-0.26%	12/28/2018	2.00%
2	BNP PARIBAS EQUITRA	3,658.94	-1.47	-0.02	0.46	3.61	-0.06%	1.01%	0.88%	-3.80%	6.09%	18.60%	-3.80%	0.05%	-0.06%	12/28/2018	2.00%
3	BNP PARIBAS SPEKTRA	1,526.26	0.00	-0.01	0.78	10.05	0.94%	3.42%	4.24%	-5.35%	14.78%	27.71%	-5.35%	-0.02%	-0.08%	12/28/2018	2.00%
4	FS INDONESIAN BALANCED FUND	2,935.07	-1.21	0.02	0.59	5.12	0.68%	2.46%	4.27%	-0.53%	14.22%	26.41%	-0.53%	0.01%	-0.01%	12/28/2018	2.00%
5	FS MULTISTRATEGY FUND	4,217.81	-1.02	-0.05	0.88	11.15	0.55%	2.94%	5.78%	-7.01%	18.89%	33.49%	-7.01%	-0.29%	-0.25%	12/28/2018	2.00%
6	MANULIFE DANA CAMPURAN II	2,608.64	-1.58	-0.08	0.72	9.37	0.45%	1.73%	1.20%	-9.28%	13.44%	23.03%	-9.28%	-0.22%	-0.10%	12/28/2018	0.00%
7	MANULIFE DANA ST BERIMBANG*	1,936.35	-0.91	-0.15	0.88	10.02	1.38%	0.52%	0.98%	-9.16%	9.05%	18.71%	-9.16%	-0.57%	-0.06%	12/28/2018	0.00%
8	SCHRODER DANA TERPADU II	3,693.73	-1.06	0.01	0.71	7.69	0.24%	2.02%	2.60%	-3.41%	25.91%	47.92%	-3.41%	-0.22%	-0.19%	12/28/2018	2.00%
9	SCHRODER SYARIAH BALANCED	2,486.44	-1.09	-0.04	0.66	5.24	0.99%	1.08%	1.84%	-2.39%	17.43%	36.69%	-2.39%	-0.50%	-0.29%	12/28/2018	1.50%

\* Manulife funds may incur Deferred Sales Charge

No	Equity Fund	NAV	Sharpe	Alpha	Beta	StDev	1 Mo	3 Mo	6 Mo	1 Yr	3 Yr	5 Yr	YTD	1 Wk	1 Day	Update	Fee
1	ASHMORE DANA EKUITAS NUSANTARA	1,542.11	-0.54	-0.04	1.06	14.23	1.29%	3.47%	5.25%	-4.06%	29.64%	54.27%	-4.06%	-0.59%	-0.18%	12/28/2018	2.00%
2	ASHMORE DANA PROGRESIF NUSANTARA	1,552.35	-0.59	-0.12	1.02	16.53	1.79%	1.02%	-0.45%	-5.19%	22.87%	45.50%	-5.19%	-0.32%	0.34%	12/28/2018	2.00%
3	BATAVIA DANA SAHAM	61,710.91	-0.39	0.00	1.04	14.23	0.98%	3.06%	4.94%	-1.13%	30.70%	44.27%	-1.13%	-0.42%	-0.55%	12/28/2018	2.00%
4	BNP PARIBAS EKUITAS	18,818.74	-0.75	-0.10	1.10	13.69	1.74%	3.38%	4.93%	-8.12%	14.52%	30.42%	-8.12%	-0.20%	-0.29%	12/28/2018	3.00%
5	BNP PARIBAS INFRA PLUS	3,160.05	-0.56	-0.05	1.07	12.42	1.49%	4.00%	4.36%	-4.85%	26.55%	31.93%	-4.85%	0.02%	0.03%	12/28/2018	2.00%
6	BNP PARIBAS PESONA	27,329.27	-0.68	-0.10	1.06	12.67	1.03%	2.90%	4.47%	-6.27%	18.67%	35.88%	-6.27%	-0.21%	-0.17%	12/28/2018	2.00%
7	BNP PARIBAS SOLARIS	2,235.16	-0.24	-0.04	0.99	12.65	1.70%	1.81%	1.30%	1.20%	25.52%	22.03%	1.20%	0.31%	0.38%	12/28/2018	2.00%
8	BNP PARIBAS STAR	1,473.29	-0.75	-0.12	1.13	13.82	1.94%	1.80%	4.31%	-8.74%	17.23%	25.31%	-8.74%	-0.15%	-0.29%	12/28/2018	3.00%
9	DANAREKSA MAWAR KONSUMER 10	1,862.33	-0.68	-0.08	1.03	15.30	2.19%	2.56%	0.94%	-6.24%	19.87%	43.14%	-6.24%	0.38%	-0.02%	12/28/2018	3.00%
10	FS INDOEQUITY DIVIDEND YIELD	4,677.33	-0.74	-0.07	1.06	13.42	1.06%	3.73%	7.26%	-7.14%	20.11%	39.19%	-7.14%	-0.39%	-0.25%	12/28/2018	2.00%
11	FS INDOEQUITY SECTORAL	5,807.33	-0.70	-0.09	1.11	14.34	1.73%	4.42%	7.93%	-7.00%	18.97%	29.36%	-7.00%	-0.27%	-0.29%	12/28/2018	2.00%
12	MANDIRI INVESTA EKUITAS DINAMIS	933.47	-0.21	-0.22	1.05	16.94	1.86%	-5.03%	-3.76%	0.05%	-7.10%	-17.25%	0.05%	1.12%	0.45%	12/28/2018	2.00%
13	MANDIRI INVESTA EQUITY ASEAN5 PLUS	1,443.64	-0.38	0.01	1.05	13.51	0.54%	-0.15%	6.79%	-1.13%	27.60%	-	-1.13%	-0.19%	-0.20%	12/28/2018	2.00%
14	MANULIFE DANA SAHAM *	11,834.68	-0.88	-0.14	1.09	14.57	0.47%	0.07%	1.07%	-	14.65%	21.59%	-10.26%	-0.38%	-0.16%	12/28/2018	0.00%
15	MANULIFE GREATER INDO FUND *	1.05	-0.50	-0.21	1.12	19.94	-0.95%	4.87%	0.05%	-	13.11%	7.13%	-10.40%	-0.71%	0.29%	12/28/2018	0.00%
16	MANULIFE SAHAM ANDALAN *	1,924.94	-0.57	-0.12	1.03	14.31	0.63%	1.91%	1.06%	-4.72%	18.26%	23.06%	-4.72%	-0.33%	0.20%	12/28/2018	0.00%
17	MANULIFE SAHAM SYARIAH ASIA PASIFIK	1.11	-0.95	-0.04	0.73	14.35	-4.14%	-	-11.11%	-	-	-	-16.14%	0.16%	0.35%	12/28/2018	0.00%
18	SCHRODER DANA PRESTASI	38,725.51	-0.65	-0.06	0.98	10.67	0.77%	2.37%	3.59%	-4.20%	24.57%	51.30%	-4.20%	-0.45%	-0.38%	12/28/2018	2.00%
19	SCHRODER DANA PRESTASI PLUS	32,597.56	-0.70	-0.06	0.97	10.58	0.83%	2.27%	3.94%	-4.98%	24.93%	52.16%	-4.98%	-0.51%	-0.41%	12/28/2018	2.00%
20	SCHRODER 90+	2,101.58	-0.73	-0.08	0.99	10.76	0.79%	1.91%	3.51%	-5.71%	21.64%	44.99%	-5.71%	-0.53%	-0.43%	12/28/2018	2.00%
21	SCHRODERS DANA ISTIMEWA	6,805.41	-0.79	-0.16	0.98	11.04	0.30%	2.13%	1.38%	-6.79%	9.92%	27.42%	-6.79%	-0.46%	-0.22%	12/28/2018	2.00%
22	SCHRODER GLOBAL SHARIA EQUITY FUND	1,093.7	-1.04	-0.01	0.49	10.65	-8.26%	-14.92%	-12.19%	-	-	-	-11.66%	1.80%	0.83%	12/27/2018	2.50%
23	RHB SRI KEHATI FUND	1,011.27	-	-0.01	1.14	-	1.07%	5.96%	-	-	-	-	-4.99%	-0.18%	-0.19%	12/28/2018	3.00%
24	EASTSPRING INVESTMENTS VALUE DISCOVERY	1,267.85	-0.59	-0.03	1.12	15.39	0.86%	1.76%	4.08%	-5.80%	33.16%	-	-5.80%	-0.32%	-0.38%	12/28/2018	3.00%
25	EASTSPRING INVESTMENTS ALPHA NAVIGATOR	1,397.33	-0.56	-0.05	1.13	15.54	1.08%	2.38%	5.14%	-5.63%	25.17%	28.91%	-5.63%	-0.11%	-0.25%	12/28/2018	2.00%

^ BDL performance reflects lower return due to adjustment in Fund strategy. Please refer to Fact Sheet for actual performance.

\* Manulife funds may incur Deferred Sales Charge



No	Manulife (Unit Linked)	NAV	Sharpe	Alpha	Beta	StDev	1 Mo	3 Mo	6 Mo	1 Yr	3 Yr	5 Yr	YTD	1 Wk	1 Day	Update
1	MANULIFE DANA LINK EKUITAS	9,130.99	-0.63	-0.04	0.89	18.17	0.65%	3.07%	6.81%	-5.90%	19.69%	35.87%	-5.90%	0.15%	0.89%	12/28/2018
2	MANULIFE DANA EKUITAS USD	1.0200	-0.55	-0.12	0.94	22.06	-0.49%	5.31%	4.36%	-11.41%	11.52%	-	-11.41%	-0.23%	1.09%	12/28/2018
3	MANULIFE INDO-CHINA IDR	1,732.08	-0.67	-0.05	0.88	19.34	-0.92%	-0.47%	4.36%	-7.00%	19.31%	28.03%	-7.00%	-0.56%	0.77%	12/28/2018
4	MANULIFE INDO-CHINA USD	0.1189	-0.60	-0.14	0.94	23.71	-1.98%	1.97%	2.24%	-13.40%	11.85%	7.75%	-13.40%	-1.00%	1.02%	12/28/2018
5	MANULIFE PENDAPATAN TETAP	2,481.32	-1.22	-	-	6.09	0.17%	3.04%	2.47%	-2.71%	24.84%	37.21%	-2.71%	0.21%	0.14%	12/28/2018
6	MANULIFE DANA BERIMBANG	2,128.12	-1.38	-0.05	0.63	11.52	0.17%	2.59%	2.77%	-8.71%	13.44%	23.69%	-8.71%	0.11%	0.43%	12/28/2018
7	MANULIFE PASAR UANG	1,845.19	-12.94	0.07	0.33	0.25	0.41%	1.22%	1.88%	3.47%	12.60%	25.70%	3.47%	0.11%	0.02%	12/28/2018
8	MANULIFE PENDAPATAN DOLLAR	1.3419	-1.30	0.00	0.38	3.59	1.57%	0.25%	1.40%	-2.98%	8.96%	18.96%	-2.98%	-0.07%	0.00%	12/28/2018
9	MANULIFE INDO-INDIA USD	0.1099	-0.62	-0.13	0.91	23.91	-1.54%	3.26%	2.82%	-	13.09%	17.52%	-13.01%	-1.14%	1.08%	12/28/2018
10	MANULIFE INDO-INDIA IDR	1,599.85	-0.71	-0.03	0.85	19.22	-0.48%	0.80%	4.92%	-6.57%	20.59%	39.59%	-6.57%	-0.70%	0.81%	12/28/2018
11	MANULIFE SMALL MID CAP IDR	1,074.57	-0.56	0.08	0.87	22.57	2.11%	-0.72%	-0.57%	-7.42%	1.23%	-5.87%	-7.42%	0.05%	1.31%	12/28/2018
12	MANULIFE SMALL MID CAP USD	0.6499	-0.56	-0.27	0.89	26.08	0.86%	0.49%	-3.23%	-	-6.29%	-	-14.02%	-0.41%	1.53%	12/28/2018
13	MANULIFE DANA EKUITAS SYARIAH	2,522.92	-0.61	-0.06	0.84	16.43	1.75%	1.71%	2.65%	-4.15%	11.55%	18.69%	-4.15%	-0.46%	1.10%	12/28/2018
14	MANU DANA PRIM DINAM-AGR	1,189.88	-0.75	0.00	0.75	14.29	0.06%	0.23%	1.62%	-4.73%	17.81%	18.99%	-4.73%	0.00%	0.76%	12/28/2018
15	MANU DANA PRIM DINAM-MOD	1,125.64	-1.06	0.00	0.60	10.41	0.12%	0.94%	2.27%	-4.63%	12.07%	12.56%	-4.63%	0.13%	0.44%	12/28/2018
16	MANU DANA EKUITAS INDO-D	1,231.38	-0.46	0.02	0.84	17.28	-0.51%	-0.29%	3.98%	-2.40%	21.92%	23.14%	-2.40%	-0.17%	0.85%	12/28/2018
17	MANULIFE DANA EKUITAS ASIA PACIFIK (IDR)	14,542.80	-1.02	0.04	0.70	13.30	-3.98%	-15.43%	-8.34%	-9.87%	7.60%	7.60%	-9.87%	0.28%	0.60%	12/28/2018
18	MANULIFE DANA EKUITAS ASIA PACIFIK (USD)	0.9986	-0.94	-0.05	0.78	15.57	-5.00%	-13.36%	-10.18%	-	-0.14%	-0.14%	-16.08%	-0.17%	0.87%	12/28/2018

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