

SmartWealth Equity IndoGlobal Fund

February 2016

BLOOMBERG: AZRPLB: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 INDICATORReturn Performance

Last 1-year period **-6.84%**
 Best Month **6.36% Oct-15**
 Worst Month **-6.27% Apr-15**

Portfolio Breakdown

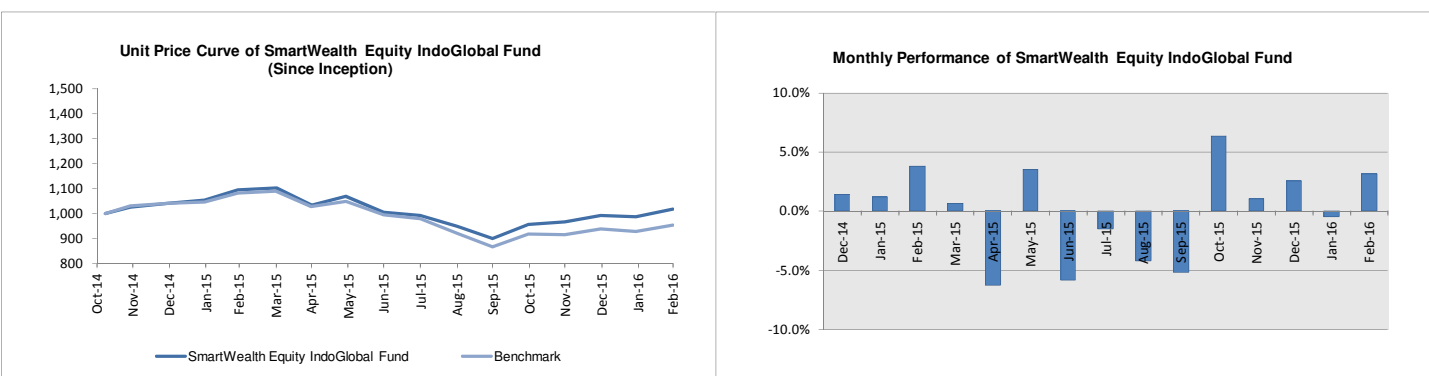
Equity **78.38%**
 Mutual Fund - Equity **14.99%**
 Cash/Deposit **6.63%**

Top Five Stocks Holding

Hanjaya Mandala Sampoerna	7.75%
Telekomunikasi Indonesia	7.55%
Unilever Indonesia	6.23%
Bank Central Asia	6.03%
Astra International	5.11%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Equity IndoGlobal Fund	3.17%	5.34%	7.34%	-6.84%	N/A	2.69%	1.92%
Benchmark*	2.55%	4.05%	3.59%	-11.99%	N/A	-0.96%	-4.69%

*20% MSCI Daily TR Net World USD Index and 80% JCI performance

**KEY FUND FACTS**

Fund Size (in bn IDR) : IDR 10.22
Risk Profile : Aggressive Investor
Launch Date : 07 November 2014
Fund Currency : Indonesian IDR
Managed by : PT. Asuransi Allianz Life Indonesia

Pricing Frequency : Daily
Price per Unit (As of Feb 29, 2016) : IDR 968.28 **Bid** Offer
Bid-Offer Spread : 5.00%
Management Fee : 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced February's deflation at -0.09% mom (vs consensus -0.16%, +0.51% in Jan 2016) mostly were caused by lower food ingredients, housing, water, electricity also natural gas and fuel prices. On yearly basis, inflation printed at 4.42% YoY (vs consensus 4.36%, 3.14% in Jan 2016). Core inflation printed at +3.62% YoY, unchanged from previous month (vs consensus 3.59%, +3.62% in Jan 2016). In the Board of Governors' Meeting on Feb 18th, 2016, Bank Indonesia cut its reference rate by 25bps to 7%, Lending Facility to 7.5% as well as facility rate (FASBI) to 5%. Rupiah appreciated against USD by +3.26% to 13,395 at end of February compared to previous month 13,846. Trade balance was surplus +0.05bn USD (non-oil and gas surplus +0.16bn, oil and gas deficit -0.11bn USD) in Jan 2016. Export decreased by -20.72% YoY mostly driven from export in natural oil, while imports decreased by -17.15% YoY. FX Reserves increased +2.41bn USD from 102.13bn USD in Jan 2016 to 104.54bn USD in Feb 2016 on the back of offshore inflow to the bond market.

The JCI (Jakarta Index) closed higher in February, gaining +3.38% MoM to close at 4,770.96 for the month. Movers were UNVR, HMSP, ASII, GGRM, and MNCN which rose +21.32%, +6.23%, +5.43%, +9.17%, and +56.30% MoM respectively. Meanwhile the laggards were TLKM, UNTR, SMGR, BBRI and AALI which fell -2.69%, -10.78%, -7.24%, -1.34% and -13.03% MoM respectively. Foreign investment appetite into Indonesian Market rebounded in February, which was driven by better than expected Indonesia's 4Q15 GDP growth of 5.04% YoY. Better government infra spending absorption became the key driver of economic growth and is expected to continue until 1H16. Lower BI rate of 25bps and potential fuel and electricity price cuts in March/April 2016 will give positive impact on people's purchasing power as well as better utilization rates within the manufacturing industry. Risk remains on whether the current government can introduce business friendly policy introduction and implementation. Sector wise, the Consumer Sector was the best performing sector this month, gaining by +9.76% MoM. UNVR (Unilever) and INDF (Indofood) were the movers; appreciating by +21.32% and +13.71% MoM respectively. This was followed by the Mining Sector that posted +6.33% MoM gains, driven by ITMG (Indo Tambang) and MEDC (Medco International) which rose +40.33% and +39.01% MoM respectively. On the flip side, Trading and Distribution Sector was the worst performing sector this month, falling by -2.15% MoM. CMNP (Citra Marga Nusaphala) and WINS (Wintermar Offshore) were the laggards, falling -20.09% and -17.46% MoM respectively.

Disclaimer:

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