

# Smartwealth Equity IndoGlobal Fund

## January 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>12.83%</b>        |
| Best Month         | <b>6.36%</b> Oct-15  |
| Worst Month        | <b>-6.27%</b> Apr-15 |

#### Portfolio Breakdown

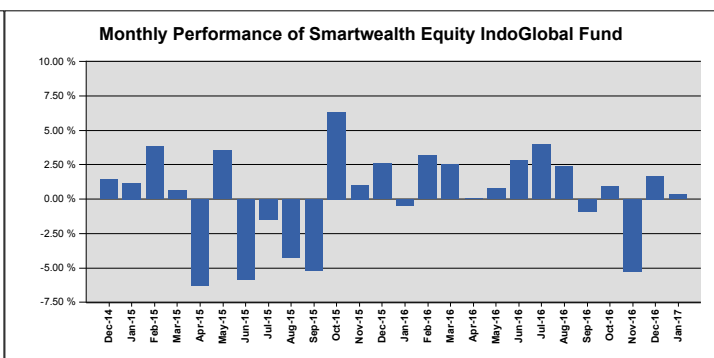
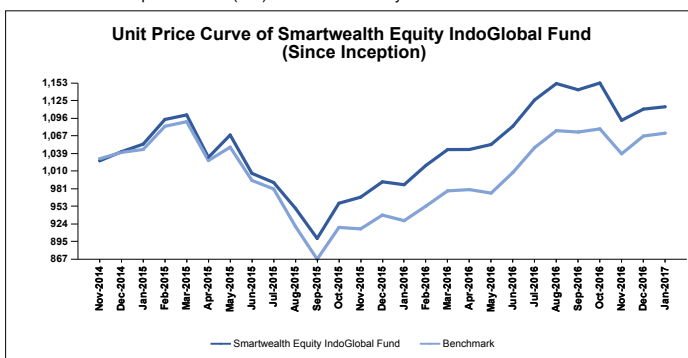
|                         |               |
|-------------------------|---------------|
| Equity                  | <b>77.48%</b> |
| Mutual Funds - Equities | <b>14.70%</b> |
| Cash/Deposit            | <b>7.82%</b>  |

#### Top Five Stocks Holding

|                           |              |
|---------------------------|--------------|
| Telekomunikasi Indonesia  | <b>6.90%</b> |
| Hanjaya Mandala Sampoerna | <b>6.64%</b> |
| Bank Central Asia         | <b>6.42%</b> |
| Unilever Indonesia        | <b>4.73%</b> |
| Astra International       | <b>4.40%</b> |

|                                    | 1 Month      | 3 Months      | 6 Months      | 1 Year        | 3 Years    | YTD          | Since Inception |
|------------------------------------|--------------|---------------|---------------|---------------|------------|--------------|-----------------|
| Smartwealth Equity IndoGlobal Fund | <b>0.34%</b> | <b>-3.35%</b> | <b>-0.99%</b> | <b>12.83%</b> | <b>N/A</b> | <b>0.34%</b> | <b>11.47%</b>   |
| Benchmark*                         | <b>0.44%</b> | <b>-0.64%</b> | <b>2.24%</b>  | <b>15.32%</b> | <b>N/A</b> | <b>0.44%</b> | <b>7.17%</b>    |

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



### KEY FUND FACTS

|                              |                                      |
|------------------------------|--------------------------------------|
| <b>Fund Size (in bn IDR)</b> | : IDR 11.84                          |
| <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</b>       | <b>Bid</b> <b>Offer</b>     |
| <b>(As of Jan 31, 2017)</b> | : IDR 1,058.94 IDR 1,114.67 |
| <b>Bid-Offer Spread</b>     | : 5.00%                     |
| <b>Management Fee</b>       | : 2.00% p.a.                |

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Jan 2017 inflation at 0.97% mom (vs +0.42% in Dec 2016), mostly was caused by higher vehicle registration fee and electricity tariff. On yearly basis, inflation was higher to 3.49% YoY (vs consensus 3.20%, 3.02% in Dec 2016). Core inflation printed at 3.35% YoY, higher from previous month (vs consensus 3.12%, 3.07% in Dec 2016). In the Board of Governors' Meeting on 18-19 Jan 2017, Bank Indonesia maintained the 7-day reverse repo rate at 4.75%, also Deposit Facility (DF) at 4.00% and Lending Facility (LF) at 5.50%. Rupiah appreciated by +0.69% to 13,343/USD at end of Jan 2017 as opposed to 13,436/USD previous month. Trade balance booked a surplus of +US\$0.992bn (non-oil and gas surplus +US\$1.448bn, oil and gas deficit US\$-0.456bn) in Dec 2016. Export rose by +15.57% YoY mostly driven by mineral fuel exports, while imports rose by +5.82% YoY. Indonesia's gross domestic product (GDP) growth in Q4 2016 was at -1.77% qoq (vs consensus -1.80%, 3.20% last quarter), however expanded 5.02% yoy in FY2016 (vs consensus 5.02%, 4.88% FY2015).

The JCI (Jakarta Composite Index) closed flat/slightly lower in January, losing -0.05% MoM to close at 5,294.71 for the month. Laggards were BMRI, ASII, TLKM, BJBR, and INAF which posted notable losses of -5.83%, -3.93%, -2.76%, -32.15%, and -50.00% MoM respectively. Meanwhile the movers were UNVR, BUMI, EXCL, TPIA, and NIKL which rose +6.19%, +79.14%, +25.97%, +7.38%, and +83.56% MoM respectively. Stock market continued to stay relatively flat given the lack of positive catalysts. Foreign flows dominated where US\$37mn of outflows were recorded in Jan-17 as a reflection of rising political concerns as we head towards the Jakarta governor elections which will be held on the 15th Feb. Despite a recovery in incumbent Ahok's popularity, there are no indications that any candidate will surpass the >50% threshold to win outright in the first round on 15 Feb. Current polls suggest Ahok will progress to a second round and the election campaign period is likely to continue through mid-April 2017, which will increase the risk of further political tension during 1Q17. On the monetary front, BI maintained its benchmark policy rate given potential external volatility and rising inflation risk due to higher electricity and issuance of new vehicle licenses tariff. We would expect market volatility to remain relatively high in the near term. Sector wise, the Miscellaneous Industry Sector was the worst performing sector this month, depreciating by -3.43% MoM. MASA (Multistrada) and ASII (Astra International) were the laggards; losing by -11.85% and -3.93% MoM respectively. This was followed by the Financial Sector that posted -0.90% MoM losses, driven by BJBR (Bank Jabar) and BMRI (Bank Mandiri) which lost -32.15% and -5.83% MoM respectively. On the other side, Agriculture Sector was the best performing sector this month, gaining by +4.50% MoM. UNSP (Bakrie Plantation) and GZCO (Gozco Plantation) were the movers, rising +60.00% and +53.33% MoM respectively.