

# Smartwealth Equity IndoGlobal Fund

## May 2017



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 INDICATOR

#### Return Performance

Last 1-year Period	<b>13.09%</b>
Best Month	<b>6.36%</b> Oct-15
Worst Month	<b>-6.27%</b> Apr-15

#### Portfolio Breakdown

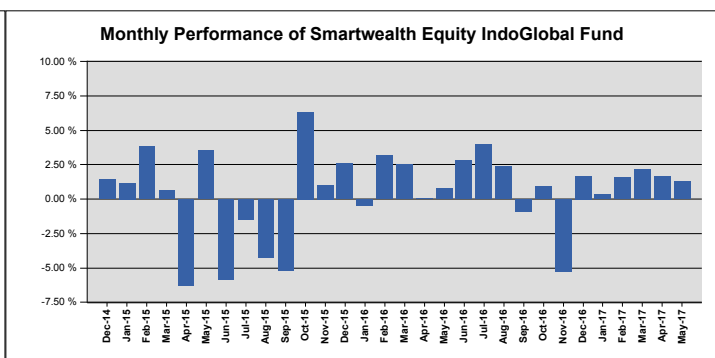
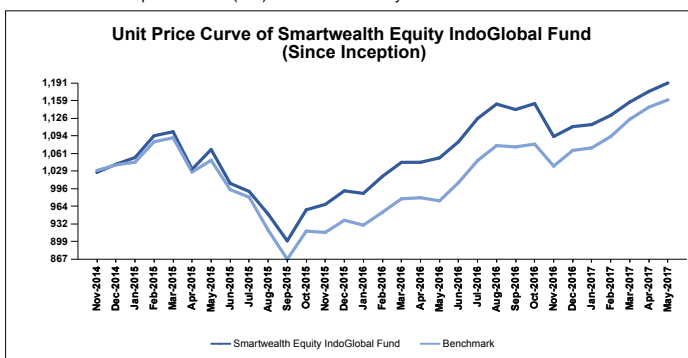
Equity	<b>70.79%</b>
Mutual Funds - Equities	<b>12.71%</b>
Cash/Deposit	<b>16.50%</b>

#### Top Five Stocks Holding

Telekomunikasi Indonesia	<b>6.75%</b>
Bank Central Asia	<b>6.24%</b>
Hanjaya Mandala Sampoerna	<b>5.43%</b>
Bank Rakyat Indonesia	<b>4.67%</b>
Astra International	<b>4.59%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartwealth Equity IndoGlobal Fund	<b>1.32%</b>	<b>5.26%</b>	<b>9.02%</b>	<b>13.09%</b>	<b>N/A</b>	<b>7.23%</b>	<b>19.12%</b>
Benchmark*	<b>1.17%</b>	<b>6.17%</b>	<b>11.74%</b>	<b>19.08%</b>	<b>N/A</b>	<b>8.72%</b>	<b>16.01%</b>

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



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 14.82
<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 May 31, 2017)</b>	: IDR 1,131.67      IDR 1,191.23
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a.

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced May 2017 inflation at +0.39% mom (vs consensus 0.38%, 0.09% in Apr 2017). On yearly basis, inflation was higher to +4.33%yoy (vs consensus 4.31%, 4.17% in Apr 2017). Core inflation was printed at +3.20% yoy (vs consensus 3.30%, 3.28% in Apr 2017). Higher inflation was due to higher food prices on lead to and on fasting month. In the Board of Governors' Meeting on 17-18 May 2017, Bank Indonesia maintained the BI 7-day (Reverse) Repo Rate (BI-7 day RR Rate) at 4.75%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.00% and 5.50% respectively. Rupiah appreciated by +0.05% to 13,321/USD at end of May 2017 from 13,327/USD in previous month. April trade balance was surplus \$1.238bn (vs consensus \$0.946bn, \$1.234bn prior), with import rose 10.31% yoy (vs last 18.19%) and export rose 12.63% yoy (from before 23.55%). Indonesia's foreign reserves increased \$1.703bn to \$124.953bn in May 2017 from \$123.25bn in Apr 2017. The increase was primarily attributable to foreign exchange receipts, among other from tax revenues and government oil & gas export proceeds, as well as auction of Bank Indonesia foreign exchange bills. S&P upgraded Indonesia rating to BBB-/stable from BB+/positive on the back of improvement in the budget. "The government's new focus on realistic budgeting has lowered the risks that budget deficits will widen significantly when government revenue disappoints," S&P said.

The JCI ended the month higher at 5,738.16 (+0.93% MoM). Market movers were BBRI, BMRI, GGRM, UNVR, and HMSP as they rose 12.21%, 7.69%, 11.37%, 3.76% and 2.88% MoM respectively. Index broke thru all-time high in May on the back of S&P raised Indonesia's long-term sovereign credit rating to investment grade BBB-. Indonesia's Fiscal Reform became the key factor driver on the rating upgrade. Investors, foreign in particular, reacted positively as the rating upgrade could drive further capital inflows and lower credit cost will reflect to better economic growth for both the public and private sectors. While we remain constructive on the Indonesian economy as a whole over the longer term, equity markets remains on the rich side in terms of valuation. Potential further social disruption and political instability will increase risk aversion to the market in the short to medium term. Sector wise, the Consumer Sector was the best performing sector during the week, gaining 3.42% MoM. Ticker wise, UL TJ (Ultrajaya Milk Industry & Trading Co Tbk) and KAEF (Kimia Farma Persero) were the movers, appreciating 21.43% and 12.65% MoM respectively. This was followed by the Finance Sector which rallied 3.08% MoM. Ticker wise, BVIC (Bank Victoria International) and TIFA (Tifa Finance) posted 101.56% and 34.29% MoM gains respectively. On the other hand, the worst sector during the week was the Mining Sector, which recorded a decline of 8.63% MoM. Ticker wise, PTRO (Petrosea) and AKKU (Alam Karya Unggul) were the laggards which fell 26.6% and 24.66% MoM respectively.