

# SmartWealth Equity IndoGlobal Fund

## May 2015


**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 ETF), not exceeding 20% of the portfolio at any given time.

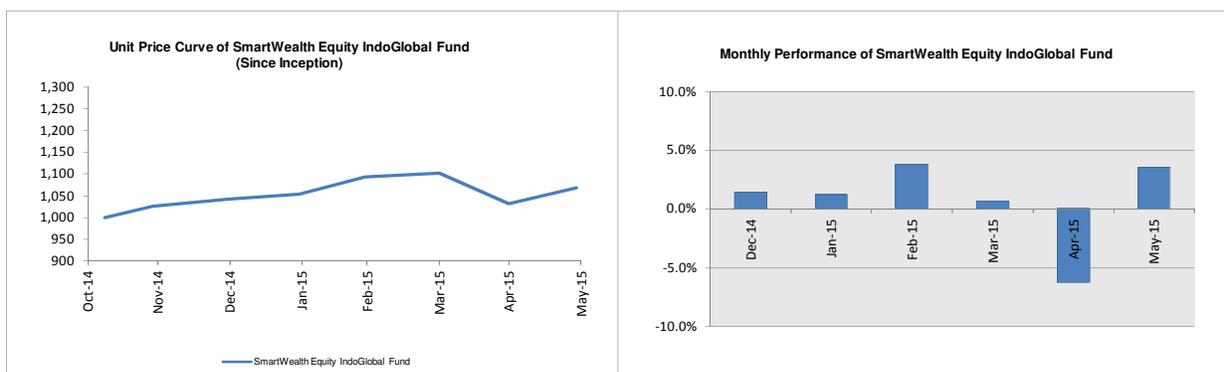
**PERFORMANCE INDICATOR**
Return Performance

Last 1-year period	N/A
Best Month	3.81% Feb-15
Worst Month	-6.27% Apr-15

Portfolio Breakdown

Equity	96.74%	<u>Top Five Stocks Holding</u>	
Cash/Deposit	3.26%	ISHARES CORE MSCI WORLD UCIT	19.73%
		BANK CENTRAL ASIA	6.40%
		TELEKOMUNIKASI	6.17%
		UNILEVER INDONESIA	5.79%
		BANK RAKYAT INDONESIA	5.29%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Equity IndoGlobal Fund	3.53%	-2.31%	4.09%	N/A	NA	2.61%	6.87%


**KEY FUND FACTS**

<b>Fund Size (in bn IDR)</b>	: IDR 10.69	<b>Pricing Frequency</b>	: Daily
<b>Risk Profile</b>	: Aggressive Investor	<b>Price per Unit</b>	: <i>Bid</i> <i>Offer</i>
<b>Launch Date</b>	: 07 November 2014	<b>(As of May 29, 2015)</b>	: IDR 1,015.29 IDR 1,068.73
<b>Fund Currency</b>	: Indonesian IDR	<b>Bid-Offer Spread</b>	: 5.00%
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia	<b>Management Fee</b>	: 2.00% p.a.

**MANAGER COMMENTARY**

Central Bureau Statistics of Indonesia (BPS) announced inflation in May 2015 at 0.50% mom (vs consensus 0.40%, inflation 0.36% in Apr 2015) which mostly were caused by higher food ingredients, processed food and tobacco prices. On yearly basis, inflation printed at 7.15% YoY (vs consensus 7.01%, 6.79% in Apr 2015). Core inflation printed at 5.04% YoY, unchanged from previous month (vs consensus 5.06%, 5.04% in Apr 2015). In the Board of Governors' Meeting on May 19th, 2015, Bank Indonesia maintained its reference rate at 7.50%. Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%. Rupiah depreciated against USD by -2.12% to 13,211 at end of May compared to previous month 12,937. Trade balance was surplus +0.45bn USD (non-oil and gas surplus 1.33bn, oil and gas deficit 0.88bn USD) in Apr 2015. Export decreased by -8.46% YoY mostly driven from export in mineral fuel, while imports decreased -22.31% YoY. FX Reserves slightly decreased -0.1bn USD from 110.87bn USD in April 2015 to 110.77bn USD in May 2015 (can cover 7.1 months import or 6.8 months import and offshore government loan payment). The government issuance of \$2 billion global sukuk added to the reserves, however the gain was offset when Bank Indonesia used reserves to repay offshore government loans and to defend the rupiah in the foreign-exchange market.

The JCI (Jakarta Composite Index) closed higher in May, rising +2.55% MoM to close at 5,216.38 for the month. Movers were TLKM, ASII, BBKA, BBNL, and AALI which rose +8.80%, +6.57%, +4.82%, +7.00% and +21.87% MoM respectively. Meanwhile the laggards were GGRM, MLBI, UNTR, BMTR, and GIAA which lost -5.80%, -25.72%, -5.14%, -16.77%, and -21.18% MoM respectively. Equity market rebounded last month despite lower macro indicators. IDR currency weakened 6.23% YTD to IDR 13,211/USD level, which was 17 year low with ongoing foreign outflows. Foreign investors saw increasing downside risk of the Indonesian economy as lower purchasing power could be prolonged. Weak commodity prices have reduced people's wallet size/income in outer Java which is highly dependent on the commodity related sector. Government spending will be the only growth driver in the short run, however the progress has been slow and potentially improve post the month of Ramadan which suggests lesser working hours. In summary, FY15 Govt. spending expectation may have slight shortfalls and lower purchasing power may suggest that the FY15 GDP growth target of 5.4% might be challenging. Sector wise, the Agriculture Sector was the best performing sector this month, rising by +15.56% MoM. BWPT (BW Plantation) and AALI (Astra Agro Lestari) were the movers; gaining by +59.13% and +21.87% MoM respectively. This was followed by the Basic Industry Sector that rose +7.36% MoM, contributed by ARNA (Arwana Citra Mulia) and MAIN (Malindo Feemil) rising by +29.81% and +29.07% MoM respectively. On the other hand, Trading and Distribution sectors was the worst performing sector this month, falling -0.70%. MSKY (MNC Sky Vision) and BMTR (Global Mediacom) were the laggards which fell -19.69% and -16.77% MoM respectively.

**Disclaimer:**

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