

# SmartWealth Rupiah Equity IndoAsia Fund

## March 2016


**BLOOMBERG: AZRPIAS: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 Asia Pacific region, excluding Japan, not exceeding 20% of the fund.

**PERFORMANCE INDICATOR**
**Return Performance**

Last 1-year period **-9.32%**  
 Best Month **8.45% Oct-11**  
 Worst Month **-9.47% Aug-11**

**Portfolio Breakdown**

Equity **88.18%**  
 Cash/Deposit **11.82%**

**Top Five Stocks Holding**

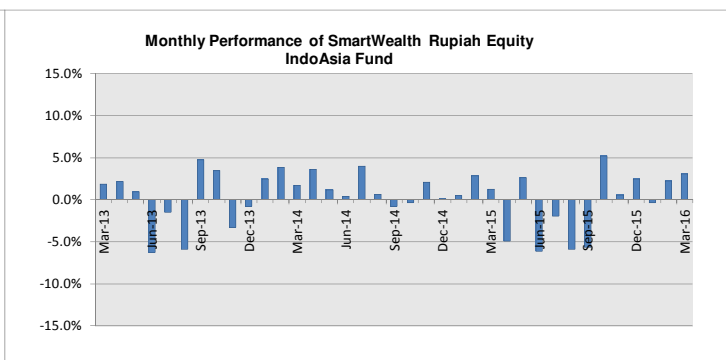
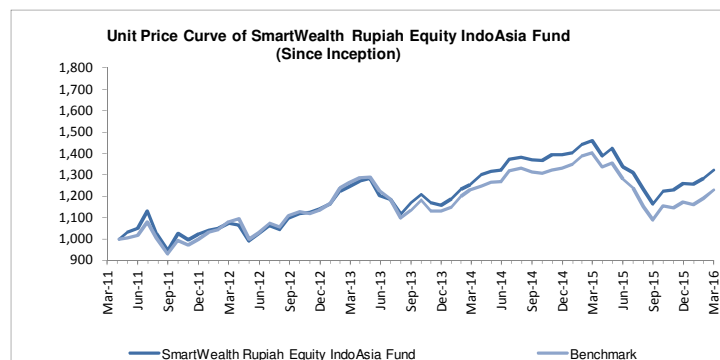
Telekomunikasi Indonesia **7.21%**  
 Hanjaya Mandala Sampoerna **6.37%**  
 Unilever Indonesia **5.66%**  
 Bank Central Asia **5.63%**  
 Astra International **5.16%**

**Country Breakdown (Stock)**

Indonesia **72.79%**  
 Philippines **0.00%**  
 Hongkong **6.80%**  
 South Korea **2.76%**  
 Malaysia **1.11%**  
 Singapore **2.17%**  
 Taiwan **2.55%**  
 Thailand **0.00%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Rupiah Equity IndoAsia Fund	3.06%	5.03%	13.85%	-9.32%	6.24%	5.03%	32.35%
Benchmark*	3.37%	4.89%	13.05%	-12.35%	-2.54%	4.89%	23.06%

\*80% Jakarta Composite Index (JCI) and 20% MSCI AC Far East Ex-Japan Index (MXFEJ)  
 (New benchmark assessment as of May 2012; previously: Jakarta Composite Index (JCI))


**KEY FUND FACTS**

**Fund Size (in bn IDR)** : IDR 514.89  
**Risk Profile** : Aggressive  
**Launch Date** : 05 May 2011  
**Fund Currency** : Indonesian IDR  
**Managed by** : PT. Asuransi Allianz Life Indonesia

**Pricing Frequency** : Daily  
**Price per Unit (As of Mar 31, 2016)** : **Bid** IDR 1,257.34 **Offer** IDR 1,323.52  
**Bid-Offer Spread** : 5.00%  
**Management Fee** : 2.00% p.a.

**MANAGER COMMENTARY**

Equity markets strong rebound from mid-February continued into March on the back of dovish policy actions from the central banks, a weakening USD and recovery in commodity prices. Northern Asian markets generally outperformed their southern counterparts, reversing the previous month's underperformance as risk on sentiment drove markets such as China (+11.8%) and Hong Kong (+8.7%). India (+10.8%) and Philippines (+8.9%) led the southern markets. In terms of capital inflows to equity, Thailand, India and Korea enjoyed the highest inflows in March. In March, global equity markets recovered all of February's loss to rise 6.5% while Asia ex-Japan equities (MXFEJ) rose 10.9% month-on-month. Nikkei Japan rose 4.6% during the month.

Central Bureau Statistics of Indonesia (BPS) announced March's inflation at 0.19% mom (vs consensus 0.25%, -0.09% in Feb 2016) mostly were caused by higher food ingredients, processed food, beverages, cigarettes and tobacco prices. On yearly basis, inflation printed at 4.45% YoY (vs consensus 4.5%, 4.42% in Feb 2016). Core inflation printed at +3.50% YoY, slightly lower from previous month (vs consensus 3.57%, +3.59% in Feb 2016). In the Board of Governors' Meeting on Mar 17th, 2016, Bank Indonesia cut its reference rate by 25bps to 6.75%, Lending Facility to 7.25% as well as facility rate (FASBI) to 4.75%. Indonesia Deposit Insurance Corporation (LPS) lower the guarantee rate by 25bps to 7.25% for Rupiah and 1.00% for other currencies and effective on 15 January 2016 to 14 May 2016 on the back of macro economy indicators and banks liquidity in general seems continues to improving. Rupiah appreciated against USD by +0.89% to 13,276 at end of February compared to previous month 13,395. Trade balance was surplus +1.14bn USD (non-oil and gas surplus +1.14bn USD) in Feb 2016. Export decreased by -7.18% YoY mostly driven from export in mineral gas, while imports decreased by -11.71% YoY. X Reserves increased +2.999bn USD from 104.544bn USD in Feb 2016 to 107.543bn USD in Mar 2016 on the back of offshore inflow to the bond market.

IDR government bond yields closed lower all across the curve in Mar 2016 on the back offshore inflows. Positive sentiment came from better than consensus Feb trade surplus data, dovish Fed statement and BI decision to cut reference rate by 25bps. ECB stimulus decision to cut its main interest rate and bank deposit rate gave positive sentiment to the market and triggered further buying action. Some profit taking action occurred oftenly but still failed to block the strong rally movement. After a cumulative 75bps cut in interest rate instruments and 150bps cut in reserve requirement ratio since January, the central bank reported limited policy transmission. Average deposit rates decreased by only 7bps while lending rates declined by 4bps. Although both deposit and credit growth remains on downward paths, the slowdown in deposit growth was steeper. MoF planned to issue IDR 106Tn of bonds in 2nd quarter 2016. Offshore accounts increased their holding by IDR 18.3Tn in Mar 2016 (+3.11% MoM), from IDR 587.78Tn as of Feb 2016 to IDR 606.08Tn as of Mar 2016, which brought their holding to 38.48% of total outstanding tradable government bond (from 38.98% in the previous month). The 5Y yield Mar 2016 was lower by -55bps to 7.41% (7.96% in Feb 2016), 10Y tenor lower by -55bps to 7.70% (8.25% in Feb 2016), 15Y tenor lower by -44bps to 8.18% (8.62% in Feb 2016) and 20Y tenor lower by -47bps to 8.18% (8.65% in Feb 2016).