

SMARTWEALTH RUPIAH EQUITY INDOASIA FUND

February 2018

BLOOMBERG: AZRPIAS:J

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.

Return Performance

Last 1-year period		20.64%
Best Month	Oct-11	8.45%
Worst Month	Aug-11	-9.47%

Portfolio Breakdown

Equity	89.20%
Cash/Deposit	10.80%

Top Five Stocks Holding

Bank Central Asia	6.12%
Bank Rakyat Indonesia	5.13%
Bank Mandiri Persero	5.07%
Hanjaya Mandala Sampoerna	4.72%
Unilever Indonesia	4.55%

Country Breakdown (Stock)

Indonesia	73.45%
Philippines	0.00%
Hongkong	8.51%
South Korea	4.09%
Malaysia	0.00%
Singapore	0.04%
Taiwan	1.73%
Thailand	1.38%

Key Fund Facts

Fund Size (in bn IDR)	IDR 793.35
Risk Profile	Aggressive
Launch Date	05 May 2011
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

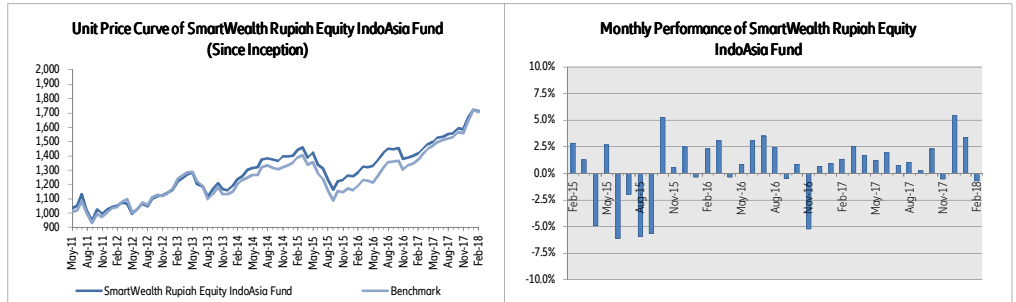
Price per Unit	Bid	Offer
(As of Feb 28, 2018)	IDR 1,626.81	IDR 1,712.43

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
SmartWealth Rupiah Equity IndoAsia	-0.70%	8.15%	10.32%	20.64%	18.82%	2.63%	71.24%
Benchmark*	-1.07%	9.71%	12.19%	24.13%	22.92%	3.62%	70.60%

*80% Jakarta Composite Index (JCI) and 20% MSCI AC Far East Ex-Japan Index (MXFEI)

(New benchmark assessment as of May 2012; previously, Jakarta Composite Index (JCI))



Manager Commentary

The Asian market had an overall return of -4.60% for the month of February. Amongst Asian countries, the market top performer was Thailand (+2.32%). The market bottom performers were China (-6.40%) and Korea (-6.34%). The Asian market performance for the month of February was largely due to concerns of monetary policies, rising inflation and interest rates. Thailand was the top performer for the month of February due to optimism on growth boosted by robust tourism and export activity. Thailand's ongoing economic expansion was led by the energy and financials sectors. China was a bottom performer for the month due to weaker domestic demands. The announcement of the revision of the two-term limits on the position of the President and Vice President was also a contributing factor in the monthly performance. Korea was the bottom performer for the month due to numerous companies reporting weaker-than-expected fourth quarter earnings. Samsung also issuing numbers that their handset sales will be less than expected did not help.

Central Bureau Statistics of Indonesia (BPS) announced Feb 2018 inflation at +0.17% mom (vs consensus inflation +0.21%, +0.62% in Jan 2018). On yearly basis, inflation was lower to +3.18%yoy (vs consensus inflation +3.28%, +3.25% in Jan 2018). Core inflation was printed at +2.58%yoy (vs consensus inflation +2.60%, +2.69% in Jan 2018). Inflation mostly caused by higher processed food, beverage, cigarette and tobacco prices. In the Board of Governors' Meeting on 15 Feb 2018, Bank Indonesia maintained the BI 7-day Reverse Repo Rate at 4.25%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 3.50% and 5.00% respectively. Rupiah depreciated by -2.19% to 13,707/USD at end of Feb 2018 from 13,413/USD in previous month. Indonesia's trade balance in January 2018 records deficit of USD 0.68bn vs estimate USD 0.280bn. Non-oil and gas trade balance surplus in January 2018 is recorded USD 0.18bn, lower than that in the previous month of USD 0.83bn. Meanwhile, deficit in oil and gas trade balance decreases to USD 0.86bn in January 2018, from USD 1.05 bn in December 2017. Indonesia's foreign exchange reserve in February 2018 reached USD 128.059 billion, which lower than the end of January 2018' level at USD131.98 billion. The decline in the reserve assets in February 2018 was mainly due to the use of foreign exchange to repay government external debt and stabilize rupiah. In addition, the decline was also attributable to lower banks' foreign currency term deposits to Bank Indonesia in line with the residents' necessity to repay their foreign currency liabilities.

The JCI (Jakarta Composite Index) ended the month lower at 6,597.22 (-0.13% MoM). Market laggards were ASII, UNTR, HMSP, EMTK, and TPIA as they fell -5.00%, -8.48%, -1.63%, -15.90% and -5.75% MoM respectively. Equity market was experienced a turbulent month as expectations and probability of Fed Fund Rate (FFR) hike heightened. The latest FOMC meeting minutes revealed that the Fed is already sanguine on growth prospects and could potentially increase FFR hike by 3 times in 2018. Under such an expectations, emerging market currency have come under pressure with the IDR being no exception and depreciated the most amongst its ASEAN peers where it fell by 1.5% YTD to IDR 13,750/USD. As such, the currency weakness could trigger negative sentiment towards the Indonesian capital markets within the short term given its dollarized nature of the economy. Sector wise, the Miscellaneous Industries Sector was the worst performing sector during the week, declining 4.28% MoM. Ticker wise, SRIL (Sri Rejeki Isman) and AUTO (Astra Otoparts) were the laggards, depreciating 12.04% and 10.26% MoM respectively. This was followed by the Trade, Service and Investment Sector which dropped 2.91% WoW. Ticker wise, BMTR (Global Mediacom) and EMTK (Elang Mahkota Teknologi) posted 19.33% and 15.9% MoM losses respectively. On the other hand, the best sector during the week was the Agriculture Sector, which recorded a gain of 2.35% MoM. Ticker wise, UNSP (Bakrie Sumatera Plantations) and AALI (Astra Agro Lestari) were the movers which rose 30.56% and 10.96% MoM respectively.

Disclaimer:

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