

Smartwealth LiquiFlex LQ45 Fund

March 2016

BLOOMBERG: AZRPLQF: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 0 – 100% in short-term instruments (such as deposits, SBI, SPN, and / or money market mutual funds) and 0 – 100% in equity instruments through direct participation in stocks of Indonesia's LQ45 index members.

PERFORMANCE INDICATOR

Return Performance

Last 1-year Period	-4.46%
Best Month	5.75% Sep-13
Worst Month	-7.32% Apr-15

Portfolio Breakdown

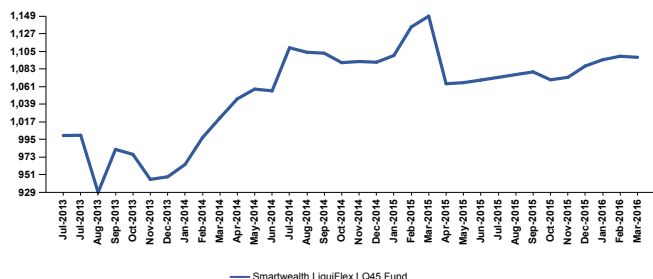
Equity	99.50%
Cash/Deposit	0.50%

Top Five Stocks Holding

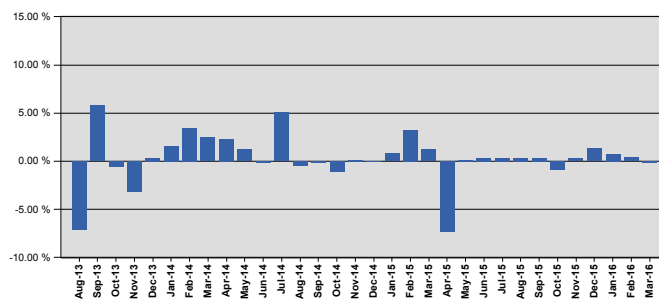
Hanjaya Mandala Sampoerna	12.93%
Telekomunikasi Indonesia	9.21%
Bank Central Asia	8.91%
Unilever Indonesia	8.88%
Astra International	7.99%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartwealth LiquiFlex LQ45 Fund	-0.12%	0.99%	1.68%	-4.46%	N/A	0.99%	9.73%

Unit Price Curve of Smartwealth LiquiFlex LQ45 Fund (Since Inception)



Monthly Performance of Smartwealth LiquiFlex LQ45 Fund



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 246.63
Risk Profile	: Aggressive
Launch Date	: 03 Jul 2013
Fund Currency	: Indonesian Rupiah
Managed by	: PT Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily
Price per Unit (As of Mar 31, 2016)	Bid : IDR 1,042.47 Offer : IDR 1,097.34
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

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.

The LQ45 Index closed higher in March at 840.35, increasing by +0.67% MoM. Most stocks including ASII, BMRI, BBRI, TLKM, and KLBFI rose by +6.62%, +7.85%, +3.16%, +2.31%, and +11.15% MoM respectively. Government has launched initiatives to improve consumer purchasing power by lowering fuel price by 9-10% as well as another 25bps rate cut by BI in mid-March 2016 on the monetary side. The recent fiscal and monetary initiatives have had positive impact towards economic activities especially within the mid-to-low segments. Certain industry indicators such as low-end ceramic demand, retail sales, and housing priced below IDR 400mn/unit posted double digit growth. However the middle and middle-up segments sentiments have yet to improve as the tax office are still being aggressive to find potential additional tax revenue from these segments. If this continues, then consumption growth might be impeded and could potentially impact to the company's earnings in the next 3-6 months. We are cautious that any equity rallies which isn't supported by earnings performance will not sustain in the long run. Earnings disappointment is a big risk as weak 1Q16 results could appear in late April 2016. Sector wise, the Agriculture Sector was the best performing sector this month, gaining by +12.29% MoM. AALI (Astra Agro Lestari) and LSIP (London Sumatera) were the movers; appreciating by +22.56% and +27.27% MoM respectively. This was followed by the Mining Sector that posted +7.28% MoM gains, driven by INCO (Vale Indonesia) and ADRO (Adaro Energy) which rose +14.01% and +6.61% MoM respectively. On the other side, Consumer Sector was the worst performing sector this month, falling by -3.95% MoM. HMSP (HM Sampoerna) and UNVR (Unilever) were the laggards, falling -10.50% and -3.59% MoM respectively.

We opportunistically select sound companies with quality management that offers earnings resiliency and growth going forward.

Disclaimer:

Smartwealth LiquiFlex LQ45 Fund is a unit linked fund offered by PT. Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.