

SMARTWEALTH EQUITY INDOGLOBAL FUND

October 2019

BLOOMBERG: AZRPGLB: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.

Return Performance

Last 1-year Period		9.67%
Best Month	Oct-15	6.36%
Worst Month	Apr-15	-6.27%

Portfolio Breakdown

Equity	76.31%
Mutual Funds - Equities	20.30%
Cash/Deposit	3.39%

Top Five Stocks Holding

Bank Central Asia	9.64%
Bank Rakyat Indonesia	6.45%
Bank Mandiri Persero	4.70%
Telekomunikasi Indonesia	4.53%
Astra International	4.04%

Key Fund Facts

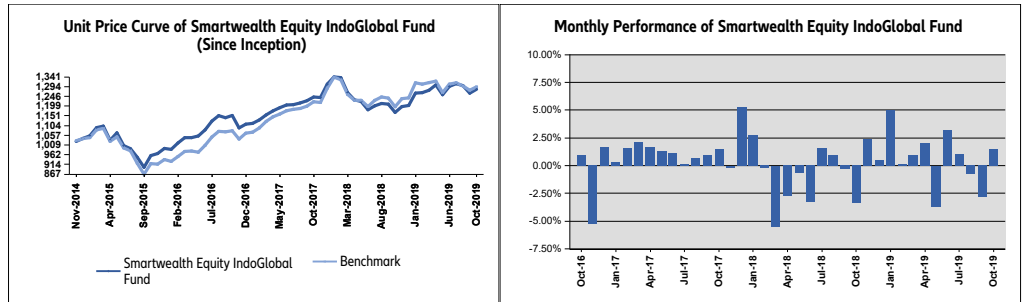
Fund Size (in bn IDR)	IDR 18.27
Risk Profile	Aggressive
Launch Date	07 Nov 2014
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

Price per Unit	Bid	Offer
(As of Oct 31, 2019)	IDR 1,217.14	IDR 1,281.20

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartwealth Equity IndoGlobal Fund	1.52%	-2.08%	-1.62%	9.67%	11.09%	6.58%	28.12%
Benchmark*	1.28%	-1.51%	-2.11%	8.12%	19.86%	4.34%	29.29%

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



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced October 2019 inflation at +0.02% mom (vs consensus inflation +0.17%, -0.27% in September 2019). On yearly basis, inflation was +3.13% yoy (vs consensus inflation +3.29%, +3.39% in September 2019). Core inflation was printed at +3.20% yoy (vs consensus inflation +3.32%, +3.32% in September 2019). The inflation was mostly affected by increasing in food stuffs group, from increasing in chicken meat & onion prices to cigarettes prices. In the Board of Governors' Meeting on 23rd and 24th October 2019, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 5.00%, while also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 4.25% and 5.75%, respectively. The reason for this policy is manageable inflation and within target range. Rupiah appreciated by +1.19% to 14,008/USD at end of October 2019 from 14,174/USD in previous month. Indonesia's trade balance recorded deficit amounting to USD -160mn in September 2019 vs previous month surplus USD +85mn. The deficit was affected by increasing of import number in non-oil and gas products which was caused by rising on consumption goods and capital goods. Non-oil and gas trade balance in September 2019 recorded surplus USD +601mn, lower than the previous month which was resulting surplus amounting to USD +840mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -762mn in September 2019, slightly higher than the deficit on August 2019 amounting to USD -756mn. Indonesia's economy grew as 5.02% yoy in Q3 2019 (vs previous 5.05%, consensus 5.00%), and 3.06% qoq (vs previous 4.20%, consensus 3.05%). This quarter growth was slower than Q2 2019 as well as Q3 2018. This slowing down was affected by global slowing down which was triggered by the uncertainty of trade war between US and their trading partners, especially China, which were also Indonesia's trading partners. Private consumption, which accounts for more than half of Indonesia's gross domestic product, grew 5.01% yoy in Q3 2019 (vs previous 5.17%). Indonesia's official foreign reserve as of October 2019 was at USD 126.70billion, higher than September 2019's number at USD 124.3billion. The increasing in the reserve assets per October 2019 was caused by issuance global bonds and oil & gas foreign exchange.

The JCI ended the month higher at 6,228.32 (+0.96% MoM). Market movers were BBKA, TPIA, CPIN, ASII, and BBRI as they rose 3.62%, 15.85%, 17.76%, 5.3% and 2.18% MoM respectively. Equity market globally turned positive on US-China trade deal optimism. The tentative "phase one" deal is an indication of some breakthrough of the hostile trade dispute. In addition, better than expected US 3Q19 GDP growth to 1.9% (vs. expectation of 1.6%) and China PMI to 51.7 (vs. expectation of 51) also boosted market confidence as well. On the domestic side, another BI rate cut by 25bps to 5% and new cabinet announcement has been well perceived by the market. That being said, however, we can't rule out on near term slower growth risks as most corporate earnings growth contracted by 5% YoY in 3Q19. Sector wise, the Basic Industry Sector was the best performing sector during the week, gaining 7.63% MoM. Ticker wise, ISSP (Steel Pipe Industry of Indonesia PT) and BAJA (Saranacentral Bajatama) were the movers, appreciating 58.78% and 23.88% MoM respectively. This was followed by the Construction, Property and Real Estate Sector which rallied 5.38% MoM. Ticker wise, ACST (Acset Indonusa) and DMAS (Puradelta Lestari) posted 9.95% and 7.09% MoM gains respectively. On the other hand, the worst sector during the week was the Infrastructure, Utilities and Transportation Sector, which recorded a decline of 3.78% MoM. Ticker wise, CANI (Capitol Nusantara Indonesia) and KARW (ICTSI Jasa Prima) were the laggards which fell 25.24% and 14.61% MoM respectively.

Disclaimer:

Smartwealth Equity IndoGlobal Fund is 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.