

# SMARTWEALTH EQUITY INDOGLOBAL FUND

## February 2019

**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 equity mutual funds), not exceeding 20% of the portfolio at any given time.

### Return Performance

|                    |        |        |
|--------------------|--------|--------|
| Last 1-year Period |        | -5.48% |
| Best Month         | Oct-15 | 6.36%  |
| Worst Month        | Apr-15 | -6.27% |

### Portfolio Breakdown

|                         |        |
|-------------------------|--------|
| Equity                  | 74.41% |
| Mutual Funds - Equities | 20.58% |
| Cash/Deposit            | 5.01%  |

### Top Five Stocks Holding

|                           |       |
|---------------------------|-------|
| Bank Central Asia         | 7.52% |
| Bank Rakyat Indonesia     | 5.51% |
| Hanjaya Mandala Sampoerna | 4.08% |
| Bank Mandiri Persero      | 3.74% |
| Telekomunikasi Indonesia  | 3.57% |

### Key Fund Facts

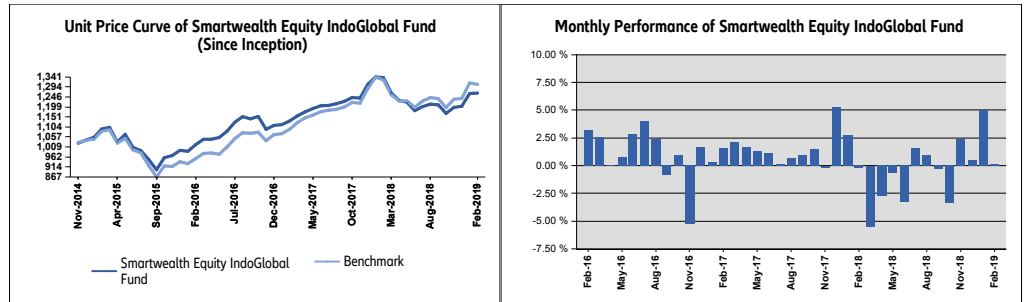
|                       |                   |
|-----------------------|-------------------|
| Fund Size (in bn IDR) | IDR 17.05         |
| Risk Profile          | Aggressive        |
| Launch Date           | 07 Nov 2014       |
| Fund Currency         | Indonesian Rupiah |
| Pricing Frequency     | Daily             |
| Bid-Offer Spread      | 5.00%             |
| Management Fee        | 2.00% p.a.        |

| Price per Unit       | Bid          | Offer        |
|----------------------|--------------|--------------|
| (As of Feb 28, 2019) | IDR 1,201.35 | IDR 1,264.58 |

Managed by PT. Asuransi Allianz Life Indonesia

|                                    | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | YTD   | Since Inception |
|------------------------------------|---------|----------|----------|--------|---------|-------|-----------------|
| Smartwealth Equity IndoGlobal Fund | 0.18%   | 5.68%    | 4.35%    | -5.48% | 24.07%  | 5.20% | 26.46%          |
| Benchmark*                         | -0.50%  | 5.73%    | 5.03%    | -1.62% | 37.04%  | 5.40% | 30.61%          |

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



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Feb 2019 deflation at -0.08% mom (vs consensus inflation -0.04%, +0.32% in Jan 2019). On yearly basis, inflation was +2.57% yoy (vs consensus inflation +2.75%, +2.82% in Jan 2019). Core inflation was printed at +3.06% yoy (vs consensus inflation +3.06%, +3.06 in Jan 2019). The deflation in February 2019 was caused by the declining in chicken, egg and non-subsidized fuel price. In the Board of Governors' Meeting on 20th and 21st February 2019, Bank Indonesia kept the BI 7-day Reverse Repo Rate unchanged on 6.00%, while also maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 5.25% and 6.75% respectively. Rupiah appreciated by +0.07% to 14,062/USD at end of February 2019 from 14,072/USD in previous month. Indonesia's trade balance recorded deficit amounting to USD -1.159bn in January 2019 vs previous month deficit USD -1.102bn. This deficit was mainly contributed by declining in export growth, especially in oil & gas side, on the back of declining in global crude oil price by -12% yoy. Oil and gas trade balance recorded deficit to USD -0.455bn in January 2019, worse than deficit on December 2018 amounting to USD -0.219bn. Meanwhile, non-oil and gas trade balance in January 2019 recorded deficit USD -0.705bn, slightly better than the previous month which was deficit amounting to USD -0.883bn. This was occurred on the back of increasing in number of non-oil & gas export, such as: iron & steel and organic chemicals commodities. Indonesia's official foreign reserve as of Januari 2019 was at USD 120.1 billion, slightly lower than the December 2018 which stood at USD 120.7 billion. The decrement in the reserve assets in January 2019 was caused by government external debt repayment.

The JCI ended the month lower at 6,443.35 (-1.37% MoM). Market laggards were ASII, BMRI, BBCA, INKP, and UNVR as they fell -15.38%, -4.36%, -2.13%, -15.19% and -2.65% MoM respectively. The index and most markets across Asia weakened as investors started to be cautious on the US-China trade talks. Weaker export growth and auto sales in China, which experienced the first annual decline since 1990 also weighs on sentiments across emerging Asia. On the domestic front, disappointing 4Q18 earnings result from Astra and MSCI outflow rebalancing also played a part on declining risk appetite as foreign investors booked US\$237mn net outflows in Feb-19. In summary, FY19 Valuation has reverted close to mean post the Jan rally at 15.5x P/E. Domestically we are keeping a close eye on the trade tariff developments and its ramification towards Indonesia's economic structure if any. Sector wise, the Miscellaneous Industries Sector was the worst performing sector during the week, declining 11.91% MoM. Ticker wise, ASII (Astra International) and HDTX (Panasia Indo Resources) were the laggards, depreciating 15.38% and 10% MoM respectively. This was followed by the Agriculture Sector which dropped 8.4% WoW. Ticker wise, LSIP (Perusahaan Perkebunan London Sumatra Ind) and BWPT (Eagle High Plantations) posted 17.01% and 17% MoM losses respectively. On the other hand, the best sector during the month was the Trade, Service and Investment Sector, which recorded a gain of 3.42% MoM. Ticker wise, MPPA (Matahari Putra Prima) and SKYB (Skybee) were the movers which rose 109.89% and 51.28% MoM respectively.

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