

Market Highlights for March 2014

Global stock markets traded southwards during Mar14; Asian, EU, and US markets all dropped, by 1.3% (136.1), 2.0% (331.4), and 0.4% (16,264). Appetite for Asian equities was restrained by profit-taking in China and Japan markets, which fell by 0.5% MoM (2,046.6) and 1.5% MoM (14,622.9). Apparently, selling in Japan markets was triggered by disappointing economic growth (recorded at 0.7% QoQ vs. 0.9% QoQ expected figure in 4Q13), while China equities were dragged down by decelerating economic growth; performance of manufacturing sector was still weak at 50.1, while retail sales grew at their slowest rate since 2004 at 11.8% YoY in Feb14 (vs. projection of 13.5% YoY). On the other hand, selling pressure in emerging markets escalated as the Fed decided to trim its stimulus by US\$10.0bn (to US\$55.0bn) and planned to start raising interest rates by spring 2015 (vs. expectation of winter 2015).

Across the continent, appetites in EU markets were muted by ongoing geopolitical tensions in Ukraine. The EU and US plan to impose sanctions on Russia after Crimea decided to break away from Ukraine and join the Russian Federation; this has raised concern amongst participants that Russia may retaliate by cutting its gas supply to Europe, and thus trigger a new episode of economic downturn. On a more positive side, expanding manufacturing and service sector in EU during Mar14 (recorded at 53.0 and 52.4, respectively) and expectation that ECB may provide more stimulus in an attempt to avoid deflation (EU inflation was recorded at 0.8% YoY in Feb14) have averted any further decline.

Similar strong economic figures have been witnessed in US markets: job and housing markets were still sturdy (unemployment at 6.7%, housing prices rose by 13.2% YoY in Feb14), while manufacturing continued to expand, at 53.2 in Feb14. On the downside, this has moved the Fed to normalize its monetary policy sooner than expected (the Fed is planning to raise interest rate by spring 2015 and targets it to reach 1.0% in 2015F and 2.25% in 2016F), thus influencing profit-taking in US markets as participants were adjusting to new monetary policy.

Moving to our home ground, JCI rose by 2.2% MoM (10.5% YTD) in Mar14. These strong returns were apparently driven by the Indonesian economy, which grew as projected, at 5.8% YoY in 2013, along with better inflation outlook (inflation was at 7.8 in Feb14 – projected to be at 4.8% year-end 2014). Improving macroeconomics has attracted foreign capital inflow into Indonesia stock markets (recorded US\$2.1bn net buy as of 28 March 2014) and bond markets (recorded Rp30.7tr net buy). We believe JCI is still attractive, as JCI itself is still trading at 14.2x P/E'14 – at par with our peers.

About Kresna Asset Management

PT Kresna Asset Management was established on 15 April 2011 based on Deed no. 34 made by Fathiah Helmi, SH, Notary in Jakarta, and has been approved by The Ministry of Law and Human Rights of the Republic of Indonesia of May 25, 2011, by Decree No. AHU-26458.A.h.01.01 Tahun 2011. PT Kresna Asset Management has received an Investment Manager License from BAPEPAM-LK No.KEP-06/BL/MI/2012, dated 04 June 2012

PT Kresna Asset Management was set up specifically to carry out activities as an Investment Manager to follow up the separation process of Asset Management Division of PT Kresna Graha Sekurindo Tbk

On July 26, 2012, PT Kresna Graha Sekurindo Tbk and PT Kresna Asset Management as Investment Manager together with the Custodian Bank has signed the amendment of the Collective Investment Contract (CIC) and the Deed of the changes has been issued by Hizmelina, SH, Notary in Jakarta by Deed no. 18 dated July 26, 2012. Therefore since July 26, 2012, the investment management activities of management PT Kresna Graha Sekurindo Tbk has been officially switched to PT Kresna Asset Management



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March 2014

As of 28 March 2014



KRESNA
ASSET MANAGEMENT

PORTFOLIO FACT-SHEET

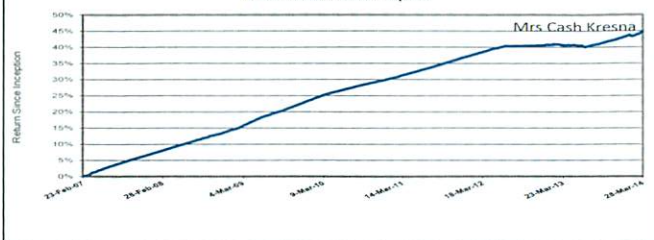
MRS CASH KRESNA

NAV PRICE
IDR 1,030.3249

PERFORMANCE

Performance	MRS CASH KRESNA	TD	SBI
Last 30 Days	0.63%	0.46%	0.42%
Last 90 Days	1.15%	1.40%	-
Last 180 Days	2.32%	2.73%	-
Last 365 Days	2.92%	5.39%	-
Since Inception	44.71%	-	-

Performance Since Inception



TOP HOLDINGS

Obl Berkelanjutan ASDF II/B 2012
Obl Summit Oto Finance IVD 2010
Obl BKLTJ IMF I IIIA 2013
Obl Pupuk Kaltim II 2009
Obl Subordinasi II Bank BRI 2009

FUND INFO

Fund Objective MRS CASH KRESNA is an open-end fund established in Indonesia. The Fund's objective is to achieve a stable rate of return growth and to minimize risk through portfolio diversification.

FUND ALLOCATION

Money Market 100%

FUND DETAILS

Effective Date February 21, 2007
Subscription Fee 0%
Redemption Fee 0%

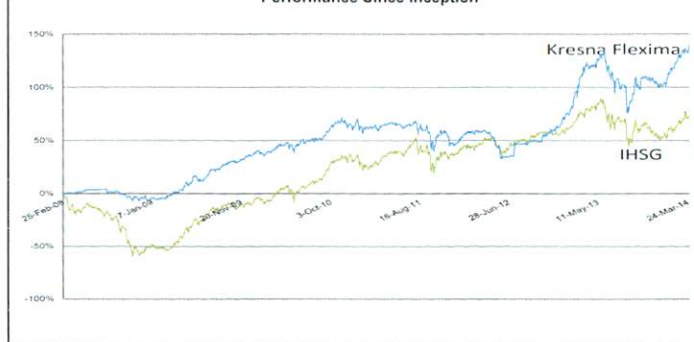
KRESNA FLEXIMA

NAV PRICE
IDR 2,391.5478

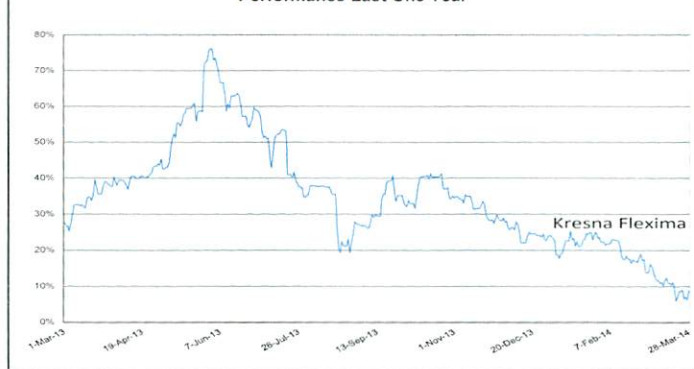
PERFORMANCE

Performance	KRESNA FLEXIMA	LQ45	IHSG	TD
Last 30 Days	5.48%	5.36%	5.20%	0.46%
Last 90 Days	18.98%	13.97%	13.18%	1.40%
Last 180 Days	19.38%	8.19%	7.79%	2.73%
Last 365 Days	8.80%	-2.68%	-3.50%	5.39%
Since Inception	139.15%	-	-	-

Performance Since Inception



Performance Last One Year



TOP TEN HOLDINGS

EQUITIES

Bank Himpunan Saudara 1906 Tbk
Bumi Resources Minerals Tbk
Elnusa Tbk
Energi Mega Persada Tbk
Gudang Garam Tbk
Indomobil Multi Jasa Tbk
Medco Energi Internasional Tbk
Telekomunikasi Indonesia Tbk
Timah Tbk
Visi Media Asia Tbk

FUND INFO

KRESNA FLEXIMA is a registered, open ended & an event driven fund that adopts the continuous rotation strategy which is similar to the Tai-Chi's Yin & Yang balanced philosophy. The fund seeks to optimize return dynamically moving the equity, fixed income, and cash portion in the fund into a balanced stage.

FUND ALLOCATION

Fixed Income 5 - 75%
Money Market 5 - 75%
Equities 5 - 75%

FUND DETAILS

- Effective Date February 19, 2008
- Subscription Fee 0%
- Redemption Fee Max 1.5%

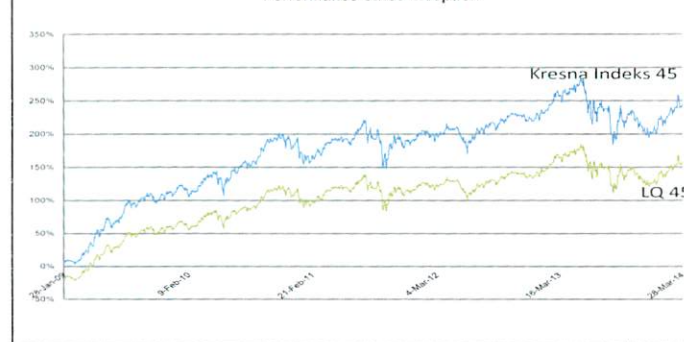
KRESNA INDEKS 45

NAV PRICE
IDR 3,449.2604

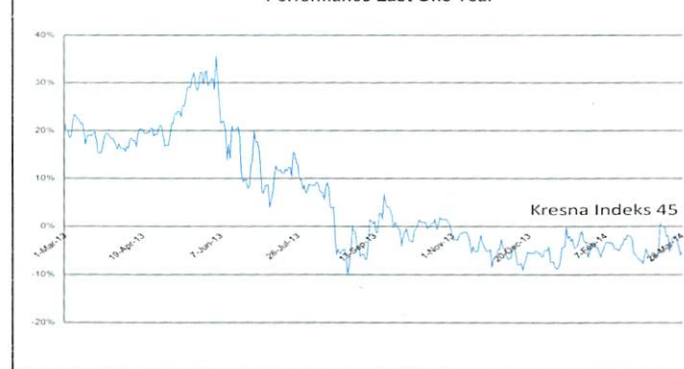
PERFORMANCE

Performance	KRESNA INDEKS 45	LQ45	IHSG	TD
Last 30 Days	5.09%	5.36%	5.20%	0.46%
Last 90 Days	13.83%	13.97%	13.18%	1.40%
Last 180 Days	7.82%	8.19%	7.79%	2.73%
Last 365 Days	-5.39%	-4.46%	-3.50%	5.39%
Since Inception	244.93%	157.71%	206.45%	-

Performance Since Inception



Performance Last One Year



TOP TEN HOLDINGS

EQUITIES

Astra International Tbk
Bank Central Asia Tbk
Bank Mandiri Tbk
Bank Negara Indonesia Tbk
Bank Rakyat Indonesia Tbk
Gudang Garam Tbk
Perusahaan Gas Negara Tbk
Semen Indonesia Tbk
Telekomunikasi Indonesia Tbk
Unilever Indonesia Tbk

FUND INFO

Fund Objective KRESNA INDEKS 45 is an open-end fund registered in Indonesia. The fund's objective is to gain investment result equivalent to the LQ-45 index. The fund invest a minimum of 80% in equities which are listed in the LQ-45 index and the money market, fixed income, derivative or other assets.

FUND ALLOCATION

Money Market, Fixed Income,
Derivative or other assets 0 - 20%
Indeks LQ45 Equities 80 - 100%

FUND DETAILS

- Effective Date September 29, 2008
- Subscription Fee Max 2.00%
- Redemption Fee Max 2.00%

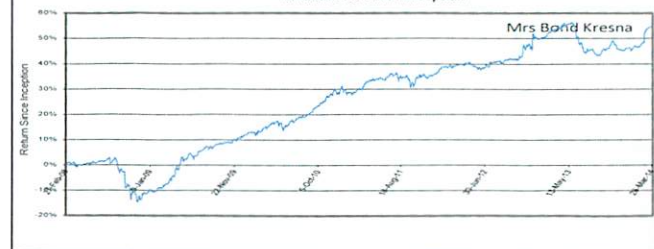
MRS BOND KRESNA

NAV PRICE
IDR 1,549.2283

PERFORMANCE

Performance	MRS BOND KRESNA	LQ45	TD	Benchmark
Last 30 Days	1.97%	5.36%	0.46%	1.44%
Last 90 Days	5.76%	13.97%	1.40%	3.92%
Last 180 Days	6.18%	8.19%	2.73%	3.82%
Last 365 Days	0.74%	-4.46%	5.39%	3.42%
Since Inception	54.62%	-	-	-

Performance Since Inception



TOP HOLDINGS

Sbsn IFR0002 Tahun 2008
Sbsn IFR0001 Tahun 2008
Obl Berkelanjutan ADMF I-13B
Obl BKT I Lautluas Thp I13
Federal Intl Finance XI-11C
Summit OtofIn IV10-D
Obl Berkelanjutan IMF I II 13A
Serasi Autoraya II 2011-C
Obl VI Bank Nagari 2010

FUND INFO

Fund Objective MRS BOND KRESNA is an open-end fund established in Indonesia. The Fund's objective is income and capital appreciation by investing in fixed income securities and money market securities through a stringent securities selection process.

FUND ALLOCATION

Fixed Income 80 - 100%
Money Market 0 - 20%
Equities 0 - 20%

FUND DETAILS

- Effective Date February 19, 2008
- Subscription Fee Max 1.00%
- Redemption Fee Max 1.00%