

# Smartlink Rupiah Equity Fund

## October 2015

BLOOMBERG: AZRPEQF: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 - 20% in short-term instruments (such as deposits, SBI, SPN, and / or money market mutual funds) and 80 - 100% in equity instruments (either directly through stocks and / or through equity mutual funds).

### PERFORMANCE INDICATOR

#### Return Performance

Last 1-year period	-12.13%
Best Month	14.70% Jul-09
Worst Month	-19.00% Oct-08

#### Portfolio Breakdown

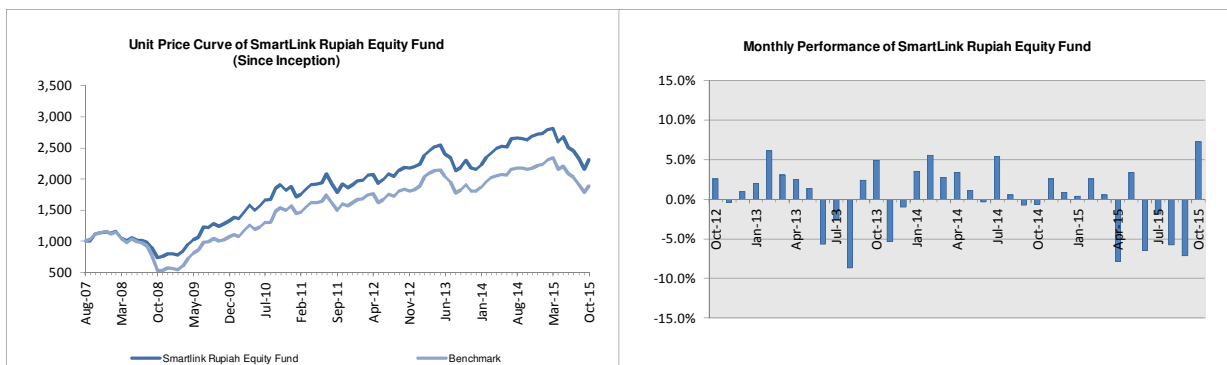
Equity	92.86%
Cash/Deposit	7.14%

Top Five Stocks Holding	
HM SAMPOERNA	8.88%
TELEKOMUNIKASI	7.86%
BANK CENTRAL ASIA	7.80%
UNILEVER INDONESIA	6.37%
BANK RAKYAT INDONESIA	5.54%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Equity Fund	7.27%	-6.12%	-10.99%	-12.13%	5.58%	-15.07%	130.91%
Benchmark*	5.48%	-7.23%	-12.41%	-12.46%	2.41%	-14.77%	88.67%

\*Jakarta Composite Index (JCI)



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 6,457.51
<b>Risk Profile</b>	: Aggressive Investor
<b>Launch Date</b>	: 01 Sep 2007
<b>Fund Currency</b>	: Indonesian IDR
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily	
Price per Unit	<i>Bid</i>	<i>Offer</i>
(As of Oct 30, 2015)	: IDR 2,193.60	IDR 2,309.05
Bid-Offer Spread	: 5.00%	
Management Fee	: 2.00% p.a	

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced October's deflation at -0.08% mom (vs consensus -0.02%, deflation -0.05% in Sept 2015) mostly were caused by lower food ingredients. On yearly basis, inflation printed at 6.25% YoY (vs consensus 6.38%, 6.83% in Sept 2015). Core inflation printed at 5.02% YoY, slightly lower compared to previous month (vs consensus 5.05%, 5.07% in Sept 2015). In the Board of Governors' Meeting on Oct 15th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%. Rupiah appreciated against USD by 6.95% to 13,639 at end of October compared to previous month 14,657. Indonesia economic growth in third quarter 2015 grew 4.73% YoY compared to previous quarter grew at 4.67% YoY. The major driven of the increase was from communication and information sector. Trade balance was surplus +1.02bn USD (non-oil and gas surplus 1.48bn, oil and gas deficit 0.46bn USD) in Sept 2015. Export decreased by -17.96% YoY mostly driven from export in machinery, while imports decreased by -25.95% YoY. FX Reserves decreased -1.01bn USD from 101.72bn USD in Sept 2015 to 100.71bn USD in Oct 2015.

The JCI (Jakarta Index) ended higher in October, gaining +5.48% MoM to close at 4,455.18 for the month. Movers were BBRI, ASII, BMRI, BBKA, and BBNI which appreciated +21.68%, +12.92%, +9.78%, +5.09%, and +14.99% MoM respectively. Meanwhile the laggards were UNVR, MIKA, BIRD, SILO, and ITMG which posted -2.63%, -5.51%, -12.50%, -11.92%, and -14.18% MoM losses respectively. The delayed of Fed rate hike in September has brought positive sentiment towards emerging markets, including Indonesia, putting a stop towards foreign investors selling off equities aggressively. On the currency front, the IDR strengthened to IDR 14k/USD. Domestic fundamentals expectation also turned better. Cement sales grew +3% YoY in 3Q15 and retailers showed some sales growth where Ace Hardware, Ramayana, and Alfamart showed positive sales growth of +1.6%, +7.6%, and +12% YoY respectively. The sales growth improvement suggests that the broad slowdown in economic activity is nearing/or at bottom. Lower than expected inflation rate also gave room for central bank to ease reference rate. In regards to the government, several stimulus packages, asset revaluation and lower corporate tax rate will be expected to gain investment confidence. The rupiah stability could restore not only purchasing power but also investors' and the public's confidence. Sector wise, the Miscellaneous Industry Sector was the best performing sector this month, rising by +10.14% MoM. ASII (Astra International) and GJTL (Gajah Tunggal) were the movers; gaining by +12.92% and +9.73% MoM respectively. This was followed by the Agriculture Sector that posted +8.72% MoM gains, driven by BWPT (Eagle High Plantation) and LSIP (London Sumatera) which gained +16.34% and +11.91% MoM respectively. On the other side, Trading and Distribution Sector was the worst amongst the best performing sector this month, which only gained by +0.87% MoM. ACES (Ace Hardware) and RALS (Ramayana) were the movers, appreciated +32.67% and +22.33% MoM respectively.

We remain selective on companies that offer resiliency in earnings on a backdrop of softer economic activity.

**Disclaimer:**  
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