

# Smartlink Rupiah Equity Fund

## March 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	16.54%
Best Month	14.70% Jul-09
Worst Month	-19.00% Oct-08

**Portfolio Breakdown**

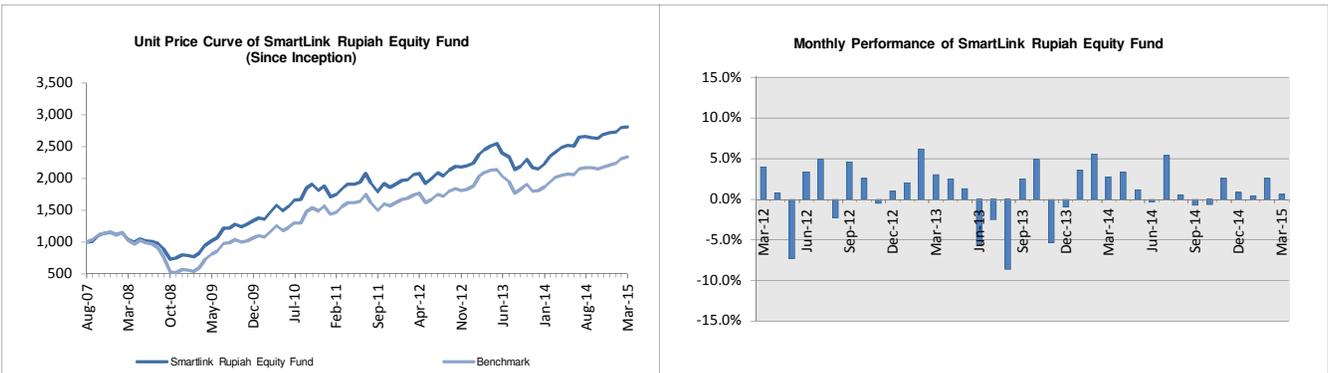
Equity	92.28%
Cash/Deposit	7.72%

**Top Five Stocks Holding**

BANK CENTRAL ASIA	7.89%
TELEKOMUNIKASI	6.70%
BANK RAKYAT INDONESIA	6.66%
ASTRA INTERNATIONAL	6.61%
BANK MANDIRI	6.54%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Equity Fund	0.56%	3.53%	6.38%	16.54%	36.45%	3.53%	181.45%
Benchmark*	1.25%	5.58%	7.42%	15.74%	33.90%	5.58%	133.71%

\*Jakarta Composite Index (JCI)


**KEY FUND FACTS**

<b>Fund Size (in bn IDR)</b>	: IDR 7,222.55	<b>Pricing Frequency</b>	: Daily
<b>Risk Profile</b>	: Aggressive Investor	<b>Price per Unit</b>	: <b>Bid</b> <b>Offer</b>
<b>Launch Date</b>	: 01 Sep 2007	<b>(As of Mar 31, 2015)</b>	: IDR 2,673.77 IDR 2,814.49
<b>Fund Currency</b>	: Indonesian IDR	<b>Bid-Offer Spread</b>	: 5.00%
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia	<b>Management Fee</b>	: 2.00% p.a

**MANAGER COMMENTARY**

Central Bureau Statistics of Indonesia (BPS) announced inflation in Mar 2015 at 0.17% mom (vs consensus 0.22%, inflation -0.36% in Feb 2015) which was caused by higher processed food, beverages, cigarettes and tobacco prices. On yearly basis, inflation printed at 6.38% YoY (vs consensus 6.39%, 6.29% in Feb 2015). Core inflation printed at 5.04% YoY, higher than previous month (vs consensus 4.95%, 4.96% in Feb 2015). In the Board of Governors' Meeting on Mar 17th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%. Rupiah depreciated against USD by -1.72% to 13,084 at end of Mar compared to previous month 12,863. Trade balance was surplus +0.74bn USD (non-oil and gas surplus 0.17bn, oil and gas surplus 0.57bn USD) in Feb 2015 (vs consensus surplus 0.64bn USD, surplus 0.74bn USD in Jan 2015). Export decreased by -16.02% YoY mostly driven from export in jewelry, while imports decreased -16.24% YoY. FX Reserves decreased -3.973bn USD from 115.527bn USD in Feb 2015 to 111.554bn USD in Mar 2015.

The JCI (Jakarta Composite Index) closed higher in March, appreciating +1.25% MoM to close at 5,518.67 for the month. Movers were ASII, UNVR, BBKA, BMRI, and BBRI which rose +9.24%, +10.14%, +5.14%, +3.96% and +3.11% MoM. Meanwhile the laggards were PGAS, INTP, SMGR, GGRM, and TLKM which fell -7.69%, -8.84%, -8.24%, -4.54%, and -1.53% MoM respectively. 2014 earnings results were mixed, where broad market earnings growth was in the range of 5-10% YoY. Lower in comparison to 2013 broad market earnings at 10-15% YoY. Corporate earnings growth in general has expectedly slowed due to several macro factors. Imports were lower in Feb-15, which fell by 16% YoY. Further indicating that the economy is slowing. Investors in general were cautious on the government's more aggressive growth target of 5.7%. Government tax revenue merely reached IDR 125tn which was 8.4% of FY15 target, -9.19% lower on a YoY basis. Should government is unable to reach the FY15 target, CAD risks rising above 2% of GDP which may result in cutting infrastructure spending. Sector wise, the Miscellaneous Industry Sector was the best performing sector this month, appreciating by +7.17% MoM. SRIL (Sri Rejeki Isman) and ASII (Astra International) were the movers; rising by +49.67% and +9.24% MoM respectively. This was followed by the Financial Sector that rose +4.83% MoM, driven by PNB (Bank Panin) and BBTN (Bank Tabungan Negara) rising +29.55% and +17.29% MoM respectively. On the other hand, the Basic Industry Sector was the worst performing this month which fell -7.74% MoM, the laggards were MAIN (Malindo Feedmill) and SMCB (Holcim) which fell by -21.26% and -19.90% MoM respectively.

We remain selective on stocks that have better risk/reward in a situation where broad market valuation looks relatively demanding.

**Disclaimer:**

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