

# Smartlink Rupiah Equity Fund

## January 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	22.47%
Best Month	14.70% Jul-09
Worst Month	-19.00% Oct-08

#### Portfolio Breakdown

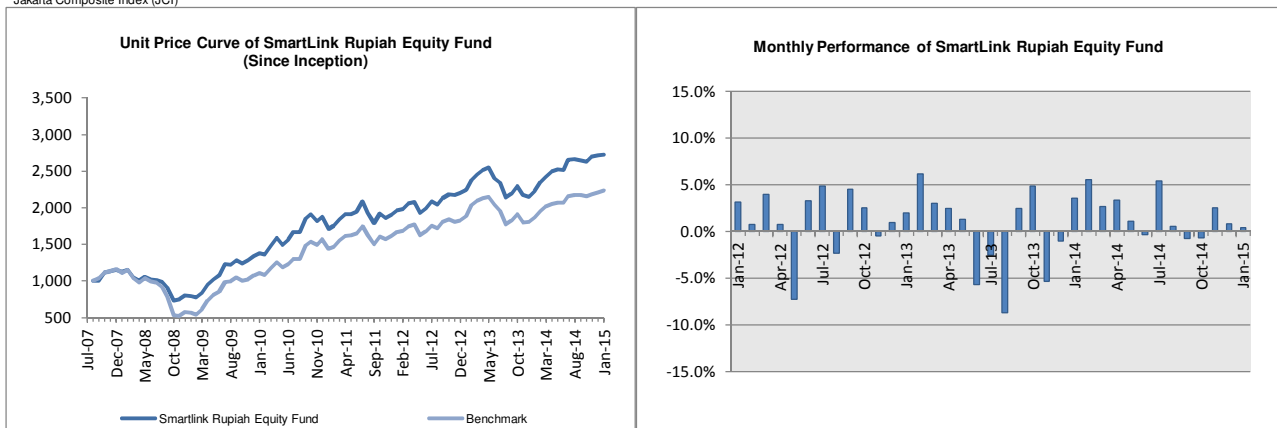
Equity	88.64%
Cash/Deposit	11.36%

#### Top Five Stocks Holding

BANK CENTRAL ASIA	7.71%
TELEKOMUNIKASI	6.74%
ASTRA INTERNATIONAL	6.56%
BANK MANDIRI	6.25%
UNILEVER INDONESIA	5.58%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Equity Fund	0.39%	3.85%	2.95%	22.47%	38.66%	0.39%	172.91%
Benchmark*	1.19%	3.93%	3.94%	19.70%	34.19%	1.19%	124.00%

\*Jakarta Composite Index (JCI)



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 6,798.02
<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

<b>Pricing Frequency</b>	: Daily
<b>Price per Unit (As of Jan 30, 2015)</b>	<b>Bid</b> IDR 2,592.66
	<b>Offer</b> IDR 2,729.12
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in Jan 2015 at -0.24% mom (vs consensus 0.24%, inflation 2.46% in Dec 2014). CPI was lower than expected was driven by the fuel cut policy, which caused a price reduction in transportation costs and communication. On yearly basis, inflation printed at 6.96% YoY (vs consensus 7.46%, 8.36% in Dec 2014). Core inflation printed at 4.99% YoY (vs consensus 4.70%, 4.93% in Dec 2014). In the Board of Governors' Meeting on Jan 15th, 2015, Bank Indonesia maintained its reference rate at 7.75%, Lending Facility at 8.0%, and the deposit facility rate (FASBI) at 5.75%. Rupiah depreciated against USD by -0.64% to 12,670 at end of Jan compared to previous month 12,589. Trade balance was surplus +0.19bn USD (non-oil and gas surplus 1.22bn, oil and gas deficit -1.04bn USD) in Dec 2014 (vs consensus surplus +0.17bn USD, deficit -0.43bn USD in Nov 2014). Export decreased by -13.83% YoY mostly driven from export in jewelry, while imports decreased -6.61% YoY. FX Reserves increased +2.388bn USD from 111.862bn USD in Dec 2014 to 114.250bn USD in Jan 2015. BPS announced Q4 2014 GDP expanded by only 5.02% YoY (vs consensus 4.9%) and 2.06% QoQ (vs consensus 1.5%), lower compared to previous quarter with net export decline as the driver. By industry level, GDP growth was driven by agriculture, forestry and fisheries.

The JCI (Jakarta Composite Index) closed higher in January, gaining +1.19% MoM to close at 5,289.40 for the month. Movers were UNVR, ASII, EMTK, ICBP and INDF which rose +10.91%, +5.72%, +21.79%, +10.69% and +11.85% MoM. Meanwhile the laggards were PGAS, SMGR, INTIP, GGRM, and SMAR which fell -15.83%, -10.03%, -8.00%, -4.78%, and -15.43% MoM respectively. Investor appetite towards the Indonesian stock market improved as the 2015 Revised Budget discussion between government and parliament went relatively smooth. Foreign investors net flows was at US\$18.54mn for the month where the bulk of the inflows happened during the last 2 weeks of the month, more than offsetting the first two weeks of the month which saw US\$146.5mn foreign net outflows. The outflows were driven by the worry that government will impose some sort of price fixing in a free market environment towards certain industries when the Indonesian government instructed to lower cement selling prices for its state owned cement company in which is operating in an oligopolistic market. Post this action, the government communicated to various media sources that it had no intention to intervene the free market, somewhat bringing positive sentiment back towards the market. Sector wise, the Construction and Property Sector was the best performing sector this month, appreciating by +7.00% MoM. APLN (Agung Podomoro) and WSKT (Waskita Karya) were the movers; rising by +33.13% and +16.67% MoM respectively. This was followed by the Consumer Sector that posted +5.48% MoM gains, driven by MYOR (Mayora) and INDF (Indofood) which saw +16.03% and +11.85% MoM gains respectively. On the other hand, the Agriculture Sector was the worst performing this month which fell -4.47% MoM, the laggards were SMAR (Sinarmas Agro) and BWPT (Eagle High Plantation) which fell by -15.43%, and -11.25% MoM respectively.

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

#### Disclaimer:

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