

SMARTLINK RUPIAH EQUITY FUND

January 2019

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).

Return Performance

Last 1-year Period		-5.64%
Best Month	Jul-09	14.70%
Worst Month	Oct-08	-19.00%

Portfolio Breakdown

Equity	92.93%
Mutual Funds - Equities	2.74%
Cash/Deposit	4.33%

Top Five Stocks Holding

Bank Central Asia	9.86%
Bank Rakyat Indonesia	6.99%
Hanjaya Mandala Sampoerna	5.44%
Astra International	4.79%
Telekomunikasi Indonesia	4.55%

Key Fund Facts

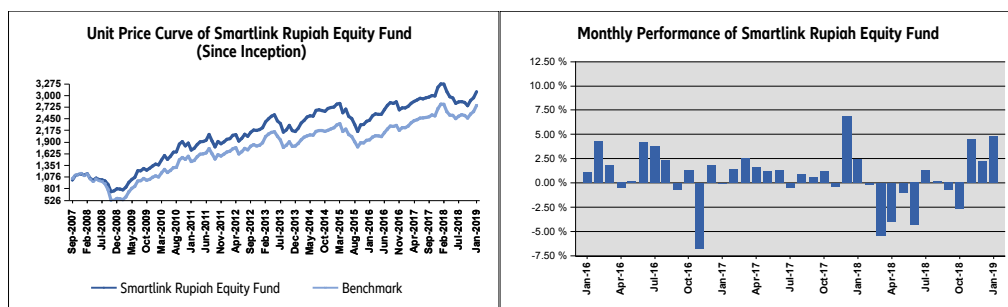
Fund Size (in bn IDR)	IDR 10,042.96
Risk Profile	Aggressive
Launch Date	01 Sep 2007
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

Price per Unit	Bid	Offer
(As of Jan 31, 2019)	IDR 2,935.85	IDR 3,090.37

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Equity Fund	4.82%	11.92%	8.38%	-5.64%	27.78%	4.82%	209.04%
Benchmark*	5.46%	12.03%	10.05%	-1.10%	41.55%	5.46%	176.67%

*Jakarta Composite Index (JCI)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced January 2019 inflation at +0.32% mom (vs consensus inflation +0.50%, +0.62% in Dec 2018). On yearly basis, inflation was +2.82% yoy (vs consensus inflation +3.00%, +3.13% in Dec 2018). Core inflation was printed at +3.06% yoy (vs consensus inflation +3.05%, +3.07 in Dec 2018). The inflation in January 2019 was lower compared with previous month which was caused by the decrement of inflation on volatile food group and deflation on administered price group. The contributor of January inflation mostly came from increase of chicken, egg, tomato, and others commodities prices. In the Board of Governors' Meeting on 16th and 17th January 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 +2.82% to 14,072/USD at end of January 2019 from 14,481/USD in previous month. Indonesia's trade balance recorded deficit amounting to USD -1.102 billion in December 2018 vs previous month deficit USD -2.050 billion. Non-oil and gas trade balance in December 2018 recorded deficit USD -0.88bn, worse than the previous month which was deficit amounting to USD -0.50bn. Meanwhile, oil and gas trade balance recorded deficit to USD -0.22bn in Dec 2018, better than deficit on Nov 2018 amounting to USD -1.50bn. This month trade balance was better than previous month which was caused by increase of revenue on gas export, even though there was a decline in revenue of non-oil and gas export on the back of decreasing of global commodities prices. The Indonesia' actual GDP growth 4Q18 recorded 5.18%yoy, higher than the previous quarter of 5.17%yoy. Throughout 2018, economic growth recorded 5.17%, higher compared to 5.07% in FY2017. Growth was mainly caused by private consumption (grew 5.05% from 4.94% in FY2017). While net export growth declined becoming 6.48% from 8.91% in FY2017 which were caused by decreasing of global commodities price, especially for non-oil and gas products (such as CPO). Global economic slowdown trend in developed countries whom are Indonesian trading partner, also affected to Indonesia's growth in 2018. Indonesia's official foreign reserve as of January 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 higher at 6,532.97 (+5.46% MoM). Market movers were BBCA, UNVR, FREN, BBRI, and BNLI as they rose 8.37%, 10.13%, 88.46%, 5.19% and 61.6% MoM respectively. The JCI and overall EM turned positive money flow wise, as signs of positivity on the US-China trade talks began to emerge. However the key driver of money flowing back into the EM, Indonesia included, is the dovish tone from the FED and weakening oil prices along with the strengthening in CPO price. Indonesia's higher social spending outlook, and IDR currency stabilization provided further tailwind towards purchasing power confidence for 2019. Despite the constructive outlook on emerging markets, we are still keeping a close check towards the developments of trade tariffs and pace of economy growth in China which is undergoing a major shift in its economic characteristics. Sector wise, the Infrastructure, Utilities and Transportation Sector was the best performing sector during the week, gaining 9.97% MoM. Ticker wise, ASSA (Adi Sarana Armada) and FREN (Smartfren Telecom) were the movers, appreciating 103.3% and 88.46% MoM respectively. This was followed by the Mining Sector which rallied 8.25% MoM. Ticker wise, TINS (Timah Persero) and BUMI (Bumi Resources) posted 70.2% and 63.11% MoM gains respectively. On the other hand, the worst amongst the best sector during the week was the Trade, Service and Investment Sector, which recorded a gain of 1.77% MoM. Ticker wise, KONI (Perdana Bangun Pusaka) and INTD (Inter Delta) were the movers which rose 44.17% and 33.33% MoM respectively.

Our portfolio stance went constructive towards end of 2018 and as we enter into 2019. That being said, we are closely monitoring asset prices and its respective valuation in check to ensure we are not exposed to any overshoot events at times of high volatility

Disclaimer:

Smartlink Rupiah Equity Fund is unit linked fund offered by PT. Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.