

# SMARTLINK RUPIAH EQUITY FUND

## June 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		9.51%
Best Month	Jul-09	14.70%
Worst Month	Oct-08	-19.00%

### Portfolio Breakdown

Equity	90.56%
Mutual Funds - Equities	2.69%
Cash/Deposit	6.75%

### Top Five Stocks Holding

Bank Central Asia	10.62%
Bank Rakyat Indonesia	8.19%
Bank Mandiri Persero	6.76%
Telekomunikasi Indonesia	5.83%
Astra International	5.35%

### Key Fund Facts

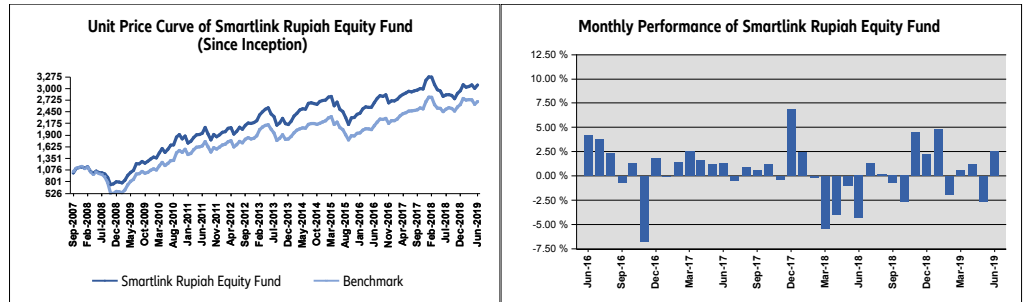
Fund Size (in bn IDR)	IDR 10,104.73
Risk Profile	Aggressive
Launch Date	01 Sep 2007
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

Price per Unit	Bid	Offer
(As of Jun 28, 2019)	IDR 2,929.86	IDR 3,084.06

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Equity Fund	2.61%	1.13%	4.60%	9.51%	15.58%	4.60%	208.41%
Benchmark*	2.41%	-1.70%	2.65%	9.65%	26.75%	2.65%	169.28%

\*Jakarta Composite Index (JCI)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced June 2019 inflation at +0.55% mom (vs consensus inflation +0.48%, +0.68% in May 2019). On yearly basis, inflation was +3.28% yoy (vs consensus inflation +3.26%, +3.32% in May 2019). Core inflation was printed at +3.25% yoy (vs consensus inflation +3.10%, +3.12% in May 2019). The inflation in this month was still mainly contributed by increasing in raw food price (red chilli, fresh fish, and tomato), while the increasing of core inflation was caused by increasing gold price. In the Board of Governors' Meeting on 19th and 20th June 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. While, BI has decided to lower the rupiah reserve requirement for conventional and Islamic banks by 50bps to 6.0% and 4.5% respectively, with the average reserve requirements remaining at 3.0%, effective from 1st July 2019. Rupiah appreciated by +1.70% to 14,141/USD at end of June 2019 from 14,385/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD 0.208bn in May 2019 vs previous month deficit USD -2.502bn. The surplus was caused by increasing in export for non-oil & gas, especially mineral fuels (ex oil & gas product). Non-oil and gas trade balance in May 2019 recorded surplus USD 1.186bn, better than the previous month which was deficit amounting to USD -1.008bn. Meanwhile, oil and gas trade balance still recorded deficit to USD -0.978bn in May 2019, slightly better than deficit on April 2019 amounting to USD -1.493bn. The deficit was caused by higher oil products imports as well as crude oil. Indonesia's official foreign reserve as of June 2019 was at USD 123.8 billion, higher than the May 2019 which stood at USD 120.35 billion. The increment in the reserve assets per June 2019 was affected by the foreign exchange income from oil & gas income and withdrawal of government external debt.

The JCI ended the month higher at 6,358.63 (+2.41% MoM). Market movers were BBRI, TLKM, BBCA, BMRI, and BBNI as they rose 6.34%, 7.64%, 3.01%, 4.56% and 9.52% MoM respectively. Investors were turning optimistic towards to the stock market post softening US-China trade war tension. Strong initiatives from several Central Banks with its easing policy to maintain economic growth had also brought the positive sentiment across the regional market. On the domestic front, Indonesia credit rating upgrade by S&P, improvement in trade balance as well as the removal of political overhang over the presidential election help spur positive sentiment. This is reflected as the market booked net foreign inflows of US\$775mn in June. Despite the positive Indonesian post-election result, the external uncertainty weighs in on the market by a larger magnitude. Increasing trade tension between US-EU indicates that there is contagious effect risk over the trade war event. That being said however, near term catalysts looks benign at this stage. Sector wise, the Construction, Property and Real Estate Sector was the best performing sector during the month, gaining 6.25% MoM. Ticker wise, DUTI (Duta Pertiwi) and APLN (Agung Podomoro Land) were the movers, appreciating 81.4% and 45.45% MoM respectively. This was followed by the Infrastructure, Utilities and Transportation Sector which rallied 5.25% MoM. Ticker wise, ISAT (Indosat) and SDMU (Sidomulyo Selaras) posted 28.29% and 26% MoM gains respectively. On the other hand, the worst sector during the month was the Consumer Sector, which recorded a decline of 2.12% MoM. Ticker wise, INAF (Indofarma Persero) and LMPI (Langgeng Makmur Industri) were the laggards which fell 34.86% and 8.11% MoM respectively.

Our portfolio positioning stance is selective and have constructive longer term outlook.

#### Disclaimer:

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