

SMARTLINK RUPIAH EQUITY FUND

March 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		-1.46%
Best Month	Jul-09	14.70%
Worst Month	Oct-08	-19.00%

Portfolio Breakdown

Equity	90.04%
Mutual Funds - Equities	2.78%
Cash/Deposit	7.18%

Top Five Stocks Holding

Bank Central Asia	9.46%
Bank Rakyat Indonesia	7.56%
Hanjaya Mandala Sampoerna	4.94%
Astra International	4.78%
Bank Mandiri Persero	4.55%

Key Fund Facts

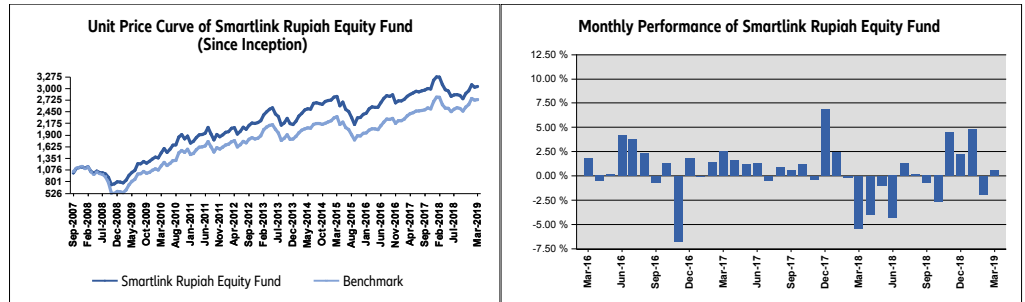
Fund Size (in bn IDR)	IDR 9,886.55
Risk Profile	Aggressive
Launch Date	01 Sep 2007
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

Price per Unit	Bid	Offer
(As of Mar 29, 2019)	IDR 2,897.16	IDR 3,049.64

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Equity Fund	0.57%	3.44%	7.47%	-1.46%	18.72%	3.44%	204.96%
Benchmark*	0.39%	4.43%	8.24%	4.52%	33.50%	4.43%	173.95%

*Jakarta Composite Index (JCI)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced March 2019 inflation at +0.11% mom (vs consensus inflation +0.14%, -0.08% in Feb 2019). On yearly basis, inflation was +2.48% yoy (vs consensus inflation +2.51%, +2.57% in Feb 2019). Core inflation was printed at +3.03% yoy (vs consensus inflation +3.06%, +3.06 in Jan 2019). The inflation in this month was mainly contributed by increasing in administered prices group on the back of higher of airfares. In the Board of Governors' Meeting on 20th and 21st March 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 depreciated by +1.29% to 14,244/USD at end of March 2019 from 14,062/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD 0.330bn in February 2019 vs previous month deficit USD -1.159bn. The surplus was caused by declining of import expense on non-oil and gas commodities on the back of lower of machinery and iron steel import. Oil and gas trade balance recorded deficit to USD -0.465bn in February 2019, worse than deficit on January 2019 amounting to USD -0.455bn. The deficit was contributed by declining of gas export (impact of China's slowing down). Meanwhile, non-oil and gas trade balance in February 2019 recorded surplus USD 0.793bn, better than the previous month which was deficit amounting to USD -0.705bn. Indonesia's official foreign reserve as of March 2019 was at USD 124.5 billion, higher than the February 2019 which stood at USD 123.3 billion. The increasing in the reserve assets per March 2019 was caused by was mainly caused by the foreign exchange income from oil & gas income.

The JCI ended the month higher at 6,468.76 (+0.39% MoM). Market movers were BBRI, SMMA, BMRI, BRPT, and BBNI as they rose 7.01%, 29.14%, 4.56%, 19.67% and 6.82% MoM respectively. The index remained in positive territory despite investor's concerns on the slower growth forecast from ECB and slowdown in China's export where it is possibly an early indicator towards deteriorating global growth outlook. The severity got worse when the US 10Y-3Y yield curve went inverted, which signals a US recession within the next 12-18 months based on historical occurrence. On the domestic front, February's trade balance surplus boosted investors' confidence. Low inflation rate and FED dovish stance gives a clearer direction that Indonesia's interest rate are approaching its peak. Despite the constructive outlook on emerging markets, market however remained volatile as external factors development remained fluid. Investors are still keeping a close check towards the developments of trade negotiations and energy prices. Sector wise, the Finance Sector was the best performing sector during the week, gaining 3.21% MoM. Ticker wise, DEFI (Danasupra Erapacific) and SMMA (Sinar Mas Multiartha) were the movers, appreciating 30.65% and 29.14% MoM respectively. This was followed by the Construction, Property and Real Estate Sector which rallied 2.43% WoW. Ticker wise, RODA (Pikko Land Development) and GAMA (Gading Development) posted 43.59% and 38% MoM gains respectively. On the other hand, the worst sector during the week was the Agriculture Sector, which recorded a decline of 3.86% MoM. Ticker wise, LSIP (Perusahaan Perkebunan London Sumatra Ind) and BTEK (Bumi Teknokultura Unggul) were the laggards which fell 14.75% and 12.58% MoM respectively.

Our portfolio positioning stance have changed to factor in nearer term volatility despite still a constructive longer term outlook.

Disclaimer:

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