

SMARTLINK RUPIAH EQUITY FUND

June 2018

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	-4.08%
Best Month	Jul-09 14.70%
Worst Month	Oct-08 -19.00%

Portfolio Breakdown

Equity	92.32%
Cash/Deposit	7.68%

Top Five Stocks Holding

Bank Central Asia	8.18%
Hanjaya Mandala Sampoerna	6.86%
Bank Mandiri Persero	5.93%
Telekomunikasi Indonesia	4.80%
Astra International	4.57%

Key Fund Facts

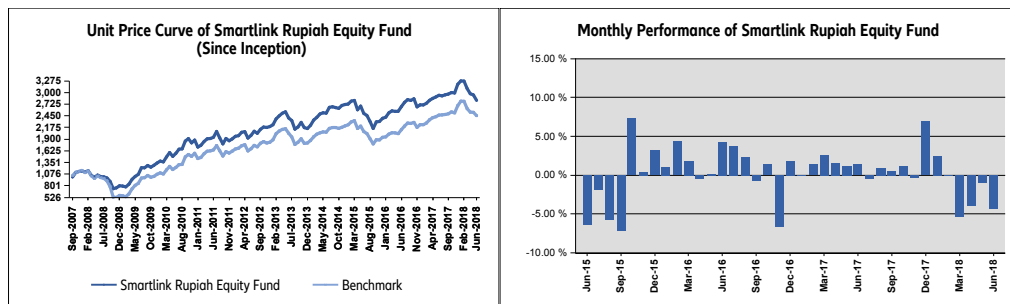
Fund Size (in bn IDR)	IDR 9,024.97
Risk Profile	Aggressive
Launch Date	01 Sep 2007
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

Price per Unit	Bid	Offer
(As of Jun 29, 2018)	IDR 2,675.40	IDR 2,816.21

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Equity Fund	-4.36%	-9.00%	-11.88%	-4.08%	12.31%	-11.88%	181.62%
Benchmark*	-3.08%	-6.30%	-8.75%	-0.52%	18.09%	-8.75%	145.59%

*Jakarta Composite Index (JCI)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced June 2018 inflation at +0.59% mom (vs consensus inflation +0.54%, +0.21% in May 2018). On yearly basis, inflation was +3.12% yoy (vs consensus inflation +3.04%, +3.23% in May 2018). Core inflation was printed at +2.72% yoy (vs consensus inflation +2.78%, +2.75 in May 2018). The June inflation was contributed by inflation of transportation, communication, and financial services sector. In the Board of Governors' Meeting on 28th - 29th June 2018, Bank Indonesia raised the BI 7-day Reverse Repo Rate by 50 bps to 5.25%, while also raising the Deposit Facility (DF) and Lending Facility (LF) rates by 50bps to 4.50% and 6.00% respectively. Rupiah depreciated by -3.12% to 14,330 /USD at end of June 2018 from 13,896/USD in previous month. Indonesia's trade balance in May 2018 recorded deficit of USD -1.524bn vs consensus USD -0.606bn. Non-oil and gas trade balance deficit in May 2018 recorded at USD 0.28bn, lower than the previous month which was deficit amounting to USD 0.50bn. Meanwhile, oil and gas trade balance deficit to USD 1.244bn in May 2018. Indonesia's foreign reserve assets stood at USD 119.8 billion as of end-June 2018, lower than the end of May 2018 level at USD 122.900 billion. The decline in the reserve assets in June 2018 was mainly due to the use of foreign exchange to repay government external debt and stabilize rupiah amidst increasing global financial market uncertainty.

The JCI ended the month lower at 5,799.24 (-3.08% MoM). Market laggards were BBKA, BBRI, HMSP, BBNI, and UNTR as they fell -5.4%, -7.79%, -5.54%, -16.81% and -9.84% MoM respectively. Emerging market had another sell-off period last month on trade war concerns between US and China which effectively shape the global trade flows. The Chinese RMB fell by 4% MoM in reflection of the trade war concerns. Locally from an Indonesian perspective, foreign outflows had accelerated last month, totalling IDR 9tn, larger than May's IDR 6tn during the MSCI rebalancing. Despite the Indonesian Central bank (BI) taking a more hawkish stance by increasing 50bps benchmark interest rate to 5.25%, it was not enough to convince foreign investors as IDR currency and bond yield slide further towards the IDR 14.4k/USD and 8% mark respectively. Sector wise, the Construction, Property and Real Estate Sector was the worst performing sector during the week, declining 7.14% MoM. Ticker wise, RBMS (Ristia Bintang Mahkotasejati) and COWL (Cowell Development) were the laggards, depreciating 32.74% and 22.95% MoM respectively. This was followed by the Agriculture Sector which dropped 6.4% MoM. Ticker wise, TBLA (Tunas Baru Lampung) and GOLL (Golden Plantation) posted 21.68% and 20.31% MoM losses respectively. On the other hand, the best sector during the week was the Infrastructure, Utilities and Transportation Sector, which recorded a gain of 2.79% MoM. Ticker wise, EXCL (XL Axiata) and TOWR (Sarana Menara Nusantara) were the movers which rose 20% and 19.23% MoM respectively.

Our portfolio strategy leans towards a more defensive approach where risk/reward is still the bottom up main focus. Generally speaking, we have been selective on equities that have pricing power, relatively low gearing and well-disciplined corporate governance. We are putting a larger emphasis on managing earnings expectations to a more conservative approach rather than growth seeking and assess value on that front also bearing in mind forex, leverage exposures and cash flow generation ability.

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.