

# Smartlink Rupiah Balanced Fund

## April 2015

BLOOMBERG: AZRPBLF:IJ



### INVESTMENT OBJECTIVE

The objective of this fund is to achieve conservative long term capital growth while earning more relatively stable income.

### INVESTMENT STRATEGY

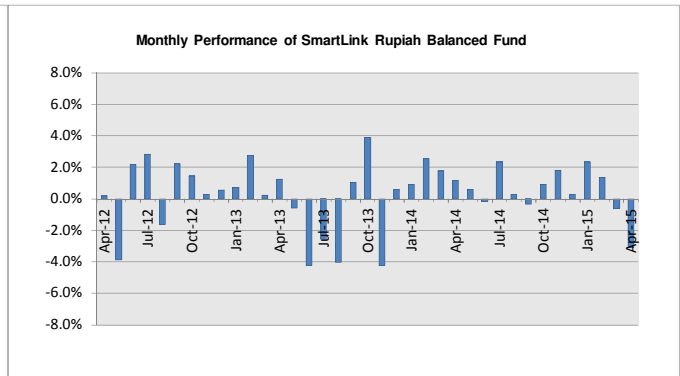
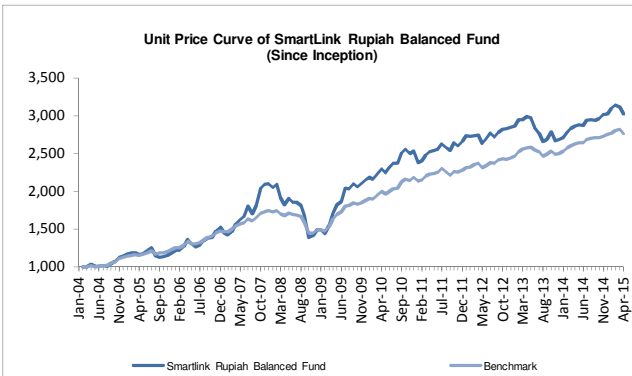
To achieve the investment objectives, this fund shall be invested with a target of 30% in short-term instruments (such as deposits, SBI, SPN, and / or money market mutual funds), 40% in medium or long term instruments (such as government bonds, corporate bonds, and / or fixed-income mutual funds), and 30% in equity instruments (either directly through stocks and / or through equity mutual funds).

### PERFORMANCE INDICATOR

Return Performance		Portfolio Breakdown		Top Five Bonds Holding		Top Five Stocks Holding	
Last 1-year period	5.68%	Equity	29.44%	Obligasi Negara FR0068	4.61%	UNILEVER INDONESIA	2.51%
Best Month	12.71% Oct-07	Mutual Fund Fixed Income	36.04%	Obligasi Negara FR0071	3.65%	BANK CENTRAL ASIA	2.47%
Worst Month	-17.27% Oct-08	Cash/Deposit	34.52%	Obligasi Negara FR0070	3.51%	TELEKOMUNIKASI	2.32%
				Obligasi Negara FR0058	1.84%	BANK RAKYAT INDONESIA	2.11%
				Obligasi Negara FR0065	1.56%	BANK MANDIRI	2.06%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Balanced Fund	-3.12%	-2.42%	1.98%	5.68%	10.31%	-0.13%	202.48%
Benchmark*	-2.04%	-0.17%	1.94%	5.42%	16.77%	0.51%	176.71%

\* 30% Jakarta Composite Index (JCI) & 70% average time deposit (3 months) from Mandiri, BNI, BTN, Danamon, and CIMB Niaga



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 2,458.03	<b>Pricing Frequency</b>	: Daily
<b>Risk Profile</b>	: Moderate Investor	<b>Price per Unit</b>	<b>Bid</b>
<b>Launch Date</b>	: 08 Mar 2004	<b>(As of Apr 30, 2015)</b>	IDR 2,873.58
<b>Fund Currency</b>	: Indonesian IDR	<b>Bid-Offer Spread</b>	IDR 3,024.82
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia	<b>Management Fee</b>	: 2.00% p.a

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in Apr 2015 at 0.36% mom (vs consensus 0.38%, inflation 0.17% in Mar 2015) which mostly were caused by higher transportation cost and processed food, beverages, cigarettes and tobacco prices. On yearly basis, inflation printed at 6.79% YoY (vs consensus 6.8%, 6.38% in Mar 2015). Core inflation printed at 5.04% YoY, unchanged from previous month (vs consensus 5.04%, 5.04% in Mar 2015). In the Board of Governors' Meeting on Apr 14th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%. Rupiah appreciated against USD by 1.12% to 12,937 at end of Apr compared to previous month 13,084. Indonesia economic growth in first quarter 2015 was decreased -0.18% QoQ (4.71% YoY compared to previous quarter at 5.01% YoY) which largely led by slower government spending and non-profit institutions' consumption. Trade balance was surplus +1.13bn USD (non-oil and gas surplus 1.41bn, oil and gas deficit 0.28bn USD) in Mar 2015. Export decreased by -9.75% YoY mostly driven from export in mineral fuel, while imports decreased -13.39% YoY.

IDR government bond yields closed higher across all tenor in Apr 2015 on the back of market selloff due to slower economic growth – despite of positive movement and currency strengthening in early weeks. The trade balance result which bigger than expected was failed to stop selling interest. Big losses in equity market also added negative sentiment to the market. The last auction (28 April 2015) was the lowest issued ever in 2015, only 4.85tn issued from 10tn indicative target. Unaggressive issuance from the auction from government and relatively inline with secondary market managed to help market fall further. The president of the Investment Coordinating Board (BKPM) projects FDI to reach USD16bn (IDR207.9t) as of 1Q15 this year, increasing by 135% compared to the same period last year, which only reached USD6.8bn. Offshore accounts increased their holding by IDR 4.10tn in Apr 2015 (+0.81% MoM), from IDR 504.08tn as of Mar 31, 2015 to IDR 508.18tn as of Apr 30, 2015, which brought their holding to 38.51% of total outstanding tradable government bond (from 38.61% in the previous month). The 5Y yield Mar was higher by +37bps to 7.69% (7.32% in Mar 2015), 10Y tenor higher by +27bps to 7.72% (7.45% in Mar 2015), 15Y tenor higher by +33bps to 8.04% (7.71% in Mar 2015) and 20Y tenor higher by 31bps to 8.08% (7.77% in Mar 2015).

The JCI (Jakarta Composite Index) closed lower in April, falling -7.83% MoM to close at 5,086.42 for the month. Laggards were ASII, BBRI, BMRI, BBKA and TLKM which fell -20.12%, -12.43%, -13.83%, 9.11%, and -9.04% MoM. Meanwhile the movers were UNVR, PLIN, MIKA, GIAA, and SUPR which gained +7.44%, +38.46%, +9.66%, +20.93% and +24.65% MoM respectively. 1Q15 earnings results were below market expectations and all in all weak. Coupled with high valuations and expectations, the market corrected quite sharply wiping out all the YTD gains. Reflective of that, foreign net outflow was US\$ 550mn during the last week of Apr-15. Several leading economic indicators such as car sales, cement, and retail sales were negative during in the last 3 months, indicating much softer domestic purchasing power. Government infrastructure budget/spending which was expected to be the main driver of economic growth this year has yet to be seen, partly due to the revision in budget as the new government takes place which resulted in delays of disbursements. Meanwhile, Apr-15 non-oil tax collection only grew 3% YoY, much lower than the government's target of 30% YoY reflecting softer domestic demand. In summary, the government's GDP growth target of 5.7% looks challenging and has toned down GDP growth expectation to 5.3%-5.7% for FY15. Sector wise, the Miscellaneous Industry Sector was the worst performing sector this month, falling by -16.85% MoM. ASII (Astra International) and GJTL (Gajah Tunggal) were the laggards; falling by -20.12% and -16.98% MoM respectively. This was followed by the Agriculture Sector that fell -12.83% MoM, contributed by BWPT (Eagle High Plantation) and LSIP (London Sumatera) which fell -25.44% and -17.63% MoM respectively.

### Disclaimer:

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