

# SMARTLINK RUPIAH BALANCED FUND

## April 2018

### 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).

#### Return Performance

Last 1-year Period		4.49%
Best Month	Oct-07	12.71%
Worst Month	Oct-08	-17.27%

#### Portfolio Breakdown

Equity	29.45%
Mutual Funds - Bonds	48.69%
Mutual Funds - Alternatives	2.18%
Cash/Deposit	19.68%

#### Top Five Bonds Holding

FR0056	3.75%
FR0070	3.60%
FR0071	2.75%
FR0061	2.54%
FR0068	2.53%

#### Top Five Stocks Holding

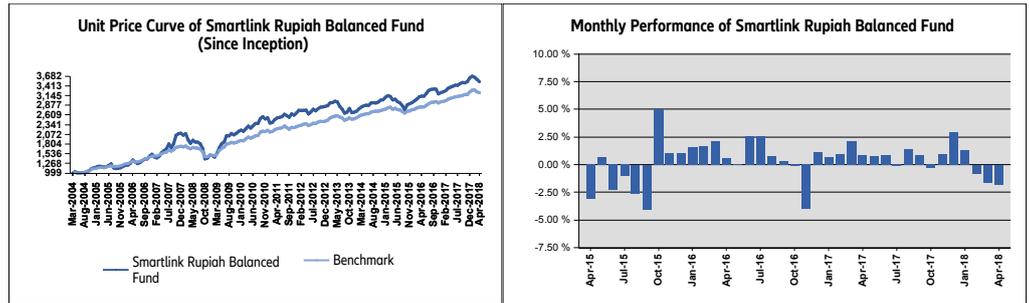
Bank Central Asia	2.59%
Hanjaya Mandala Sampoerna	2.02%
Bank Mandiri Persero	1.87%
Unilever Indonesia	1.71%
Surya Citra Media	1.62%

#### Key Fund Facts

Fund Size (in bn IDR)	IDR 2,311.43
Risk Profile	Moderate
Launch Date	08 Mar 2004
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Balanced Fund	-1.78%	-4.16%	0.93%	4.49%	16.66%	-2.86%	252.86%
Benchmark*	-0.67%	-2.09%	1.61%	5.01%	16.55%	-0.66%	222.51%

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



#### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Apr 2018 inflation at +0.10% mom (vs consensus inflation +0.18%, +0.20% in Mar 2018). On yearly basis, inflation was +3.41% yoy (vs consensus inflation +3.50%, +3.40% in Mar 2018). Core inflation was printed at +2.69% yoy (vs consensus inflation +2.77%, +2.67% in Mar 2018). Inflation mostly caused by higher processed food, housing, clothing and healthcare. In the Board of Governors' Meeting on 20 April 2018, Bank Indonesia maintained the BI 7-day Reverse Repo Rate at 4.25%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 3.50% and 5.00% respectively. Rupiah depreciated by +0.98% to 13,892 /USD at end of Apr 2018 from 13,756/USD in previous month. Indonesia's trade balance in March 2018 records surplus of USD 1.09bn vs consensus -USD89mm. Non-oil and gas trade balance surplus in Mar 2018 is recorded USD 2.02bn, higher than the previous month which was deficit amounting to USD 3.96bn. Meanwhile, oil and gas trade balance deficit to USD 0.92bn in Mar 2018. Indonesia's GDP grew 5.06% yoy in the three months to the end of March, according to Indonesia Bureau of Statistic, lower than forecast of 5.18%, and also against 5.19% at the previous quarter. In qoq terms, Indonesia's GDP fell -0.42% than forecast of -0.3%, but higher than previous quarter of -1.70%. The slower growth was caused by weak of household consumption. Indonesia's foreign reserve assets stood at USD 124.9 billion as of end-Apr 2018, lower than the end of Mar 2018 level at USD 126.00 billion. The decline in the reserve assets in Apr 2018 was mainly due to the use of foreign exchange to repay government external debt and stabilize rupiah amidst increasing global financial market uncertainty.

IDR Government bond yields were higher across all curves on the back of offshore outflows which triggered by US Treasury yield that passed 3% and IDR depreciation which almost reached IDR 14,000. Fed hawkish stance (however finally the Fed maintain the interest rate at 1.75%), unclear China-US trade tariff war and geopolitics tension including between US and Russia gave additional negative sentiment to the market. Bank Indonesia supported the bond market from weaken further by joining the bids as well as doing intervention in IDR currency. Indonesia's rating upgrade from Moody's only gave short-lived positive sentiment to the bond market. Moody's upgrades the Sovereign Credit Rating (SCR) of the Republic of Indonesia from Baa3/Positive Outlook to Baa2/Stable Outlook on April 13th 2018. Moody's highlighted the key factor supporting the decision is a credible and effective policy framework conducive to macroeconomic stability. Together with financial buffers, prudent fiscal and monetary policy, those have improved sovereign's resilience and capacity to respond to shocks. Offshore accounts decreased their holding by IDR 13.45tn in April 2018 (-1.57% MoM), from IDR 858.79tn as of Mar 2018 to IDR845.34tn as of April 2018, which brought their holding to 38.44% of total outstanding tradable government bond (from 39.31% in the previous month). The 5Y yield April 2018 ended +55bps higher to 6.50% (5.95% in Mar 2018), 10Y tenor ended +30bps higher to 6.98% (6.68% in Mar 2018), 15Y tenor ended +34bps higher to 7.21% (6.87% in Mar 2018) and 20Y tenor ended +16bps higher to 7.47% (7.31% in Mar 2018).

The JCI ended the month lower at 5,994.6 (-3.14% MoM). Market laggards were HMSP, BBRI, BBKA, BMRI, and UNVR as they fell -11.06%, -10.56%, -5.15%, -7.17% and -6.41% MoM respectively. Indo Equity market fell in 2 consecutive months on the back of higher US yield which rose close to 3% coupled by softer 1Q18 earnings. Most of the investors were still cautious about Indonesia's macro condition especially on purchasing power which has not recovered as market expected. On the other hand, high oil prices environment and rising US Fed rates contribute an additional pressure to the IDR currency as well. All in all, despite JCI has dropped by -7% YTD and back to below 5 years mean valuation, we don't see any near term positive catalysts for the market. We remain cautious on prolonged risk off sentiment which could further pressure the IDR as an outflow from capital market continues. Sector wise, the Finance Sector was the worst performing sector during the week, declining 6% MoM. Ticker wise, HDFA (Radano Bhaskara Finance) and BBKP (Bank Bukopin Tbk) were the laggards, depreciating 33.21% and 26.21% MoM respectively. This was followed by the Agriculture Sector which dropped 5.47% MoM. Ticker wise, SMAR (Sinar Mas Agro Resources & Technology) and DSFI (Dharma Samudera Fishing Industries) posted 20.09% and 14.96% MoM losses respectively. On the other hand, the best sector during the week was the Basic Industry Sector, which recorded a gain of 5.21% MoM. Ticker wise, TKIM (Pabrik Kertas Tjiwi Kimia) and JPRS (Jaya Pari Steel) were the movers which rose 49.28% and 26.09% MoM respectively.

#### Disclaimer:

Smartlink Rupiah Balanced 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 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.

Price per Unit	Bid	Offer
(As of Apr 30, 2018)	IDR 3,352.21	IDR 3,528.64

Managed by PT. Asuransi Allianz Life Indonesia