

# SMARTLINK RUPIAH BALANCED FUND

April 2019

**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 50%-75% in money market and fixed income instruments (such as deposits, SBI, SPN, and / or money market mutual funds, government bonds, corporate bonds, and / or fixed-income mutual funds), and 25%-50% in equity instruments (either directly through stocks and / or through equity mutual funds).

**Return Performance**

Last 1-year Period	1.56%
Best Month	Oct-07 12.71%
Worst Month	Oct-08 -17.27%

**Portfolio Breakdown**

Equity	29.74%
Mutual Funds - Bonds	54.30%
Mutual Funds - Equities	0.68%
Mutual Funds - Alternatives	3.78%
Cash/Deposit	11.50%

**Top Five Bonds Holding**

FR0070	3.69%
FR0056	3.61%
FR0068	3.21%
FR0072	2.65%
FR0071	2.64%

**Top Five Stocks Holding**

Bank Central Asia	3.09%
Bank Rakyat Indonesia	2.51%
Bank Mandiri Persero	2.09%
Astra International	1.69%
Hanjaya Mandala Sampoerna	1.60%

**Key Fund Facts**

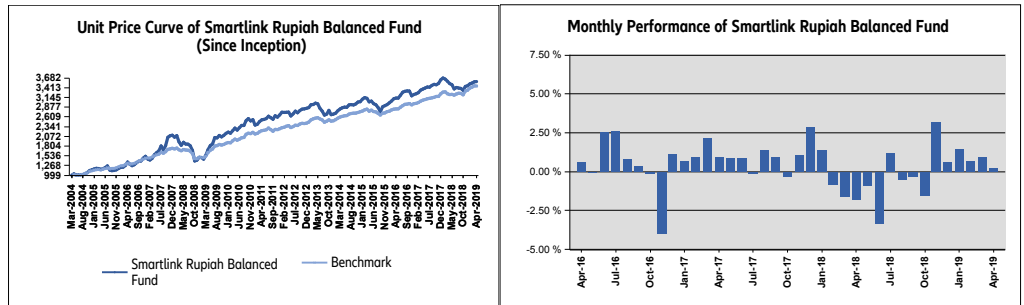
Fund Size (in bn IDR)	IDR 2,175.81
Risk Profile	Moderate
Launch Date	08 Mar 2004
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

<b>Price per Unit</b>	<b>Bid</b>	<b>Offer</b>
(As of Apr 30, 2019)	IDR 3,404.53	IDR 3,583.72

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Balanced Fund	0.19%	1.81%	7.19%	1.56%	14.52%	3.28%	258.37%
Benchmark*	-0.13%	1.69%	7.55%	7.34%	22.31%	3.43%	246.18%

\*25% Jakarta Composite Index (JCI), 50% Indonesia Bond Pricing Agency (IBPA) IDR Bond Index & 25% average time deposit (3 months) from Mandiri, BNI, BTN, Danamon, and CIMB Niaga  
(Benchmark assessment; before Sep 2018: 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 April 2019 inflation at +0.44% mom (vs consensus inflation +0.33%, +0.11% in Mar 2019). On yearly basis, inflation was +2.83% yoy (vs consensus inflation +2.67%, +2.48% in Mar 2019). Core inflation was printed at +3.05% yoy (vs consensus inflation +3.03%, +3.03% in Mar 2019). The inflation in this month was mainly contributed by increasing in foodstuffs price and transportation cost (airfares). In the Board of Governors' Meeting on 24th and 25th April 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 slightly appreciated by +0.20% to 14,215/USD at end of April 2019 from 14,244/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD +0.540bn in March 2019 vs previous month surplus USD +0.330bn. The surplus was caused by increment surplus in export for non-oil and gas commodities on the back of higher of export of coal, iron & steel, and minerals. Non-oil and gas trade balance in March 2019 recorded surplus USD 0.989bn, better than the previous month which was surplus amounting to USD 0.793bn. Meanwhile, oil and gas trade balance recorded deficit to USD -0.448bn in March 2019, slightly better than deficit on February 2019 amounting to USD -0.465bn. The deficit was caused by increasing of crude oil import. Indonesia's official foreign reserve as of April 2019 was at USD 124.3 billion, slightly lower than the March 2019 which stood at USD 124.5 billion. The decrement in the reserve assets per April 2019 was caused by overseas debt payment. Indonesia's economy grew as 5.07% yoy in 1Q 2019 (vs previous 5.18%, consensus 5.12%), and -0.52% qoq (vs previous -1.69%, consensus -0.42%). This quarter growth was slower than 4Q 2018. This slowing down was affected by slowing down in private consumption and gross fixed capital formation (affected by lower in investment). Each of it grew lower than previous quarter, private consumption grew 5.01% from 5.08% and gross fixed capital formation grew 5.03% from 6.01%.

IDR Government bond yields were closed higher at the end of the April 2019 on the back of offshore outflows. Market actually opened bullish in the beginning of April on the back of optimism on the negotiation process between US and China. Then, market tend to be bearish after US announced that they plan to impose additional tariff to European Union's product which could lead new trade war between US-EU, and also IMF announced that they cut their global growth projection to be 3.30%. However, positive sentiment coming from domestic side, such as surplus trade balance and quick count result that showed Jokowi's victory on Indonesian presidential election, supported the market from falling deeper. Offshore accounts decreased their holding by IDR -6.78tn in April 2019 (-0.70% MoM), to IDR 960.34tn as of 30 April 2019 from IDR 967.12tn as of 29 Mar 2019, which brought their holding to 38.38% of total outstanding tradable government bond (from 38.26% in the previous month). The 5Y yield April 2019 ended +16bps higher to +7.31%(+7.15% in March 2019), 10Y tenor ended +20bps higher to +7.83%(+7.63% in March 2019), 15Y tenor ended +18bps higher to +8.27%(8.09% in March 2019) and 20Y tenor ended +22bps higher to +8.37%(+8.16% in Mar 2019).

The JCI ended the month lower at 6,455.35 (-0.21% MoM). Market laggards were HMSP, UNVR, TLKM, CPIN, and TPIA as they fell -6.67%, -7.57%, -4.05%, -17.58% and -9.73% MoM respectively. The stock market had moved positively in mid-April, which was driven by positive presidential election result. However, post-election, investors took profit which pressured the stock market during month end. Lackluster of positive catalyst in domestic data and results also pressured the market to sell-off. External factors wise, strengthening US economic data which was above market expectation had also triggered the emerging market currencies weaker, IDR was no exception, where it weakened to IDR 14,215/USD. In summary, despite the election results were in line with market expectations, investors became more cautious as we go into the 2H19 where economic data were benign and will begin to trickle down towards corporate earnings. Sector wise, the Basic Industry Sector was the worst performing sector during the week, declining 6.3% MoM. Ticker wise, ALMI (Alumindo Light Metal Industry) and SMBR (Semen Baturaja Persero) were the laggards, depreciating 36.16% and 24.62% MoM respectively. This was followed by the Mining Sector which dropped 3.8% MoM. Ticker wise, SMRU (SMR Utama) and ITMG (Indo Tambangraya Megah) posted 56.7% and 19.64% MoM losses respectively. On the other hand, the best sector during the week was the Construction, Property and Real Estate Sector, which recorded a gain of 4.68% MoM. Ticker wise, BEST (Bekasi Fajar Industrial Estate) and SSIA (Surya Semesta Internusa) were the movers which rose 23.33% and 22.73% MoM respectively.

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