

SMARTLINK RUPIAH FIXED INCOME FUND

June 2018

BLOOMBERG: AZRPFIF:IJ

Investment Objective

The Objective of the fund is to provide relatively stable income with capital preservation for the long term.

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 the medium or long-term instruments (such as government bonds, corporate bonds, and / or fixed-income mutual funds).

Return Performance

Last 1-year Period	0.38%
Best Month	Dec-08 9.19%
Worst Month	Oct-08 -9.36%

Portfolio Breakdown

Mutual Funds - Bonds	87.80%
Mutual Funds - Alternatives	2.49%
Cash/Deposit	9.71%

Top Five Bonds Holding

FR0056	7.48%
FR0070	7.27%
FR0068	5.45%
FR0053	5.08%
FR0061	5.02%

Key Fund Facts

Fund Size (in bn IDR)	IDR 1,013.10
Risk Profile	Moderate
Launch Date	25 May 2001
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

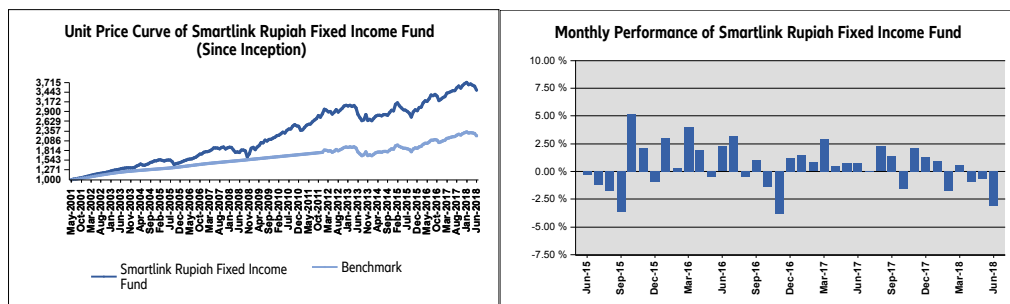
Price per Unit	Bid	Offer
(As of Jun 29, 2018)	IDR 3,323.29	IDR 3,498.20

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Fixed Income Fund	-3.09%	-4.72%	-4.96%	0.38%	18.95%	-4.96%	249.82%
Benchmark*	-2.83%	-3.80%	-3.77%	1.19%	18.57%	-3.77%	122.59%

*80% Bloomberg Indonesia Local Sovereign Bond (BINDO) Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank

(Benchmark assessment; before Mar 2016: 80% HSBC Indonesia Local Bond Index & 20% Average Time Deposit (1 month) from BNI, BCA and Cit; before Jan 2012: Average 1 Month Deposit of BNI, BCA and Cit)



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.

IDR Government bond yields were higher across all curves during June. IDR depreciation (breached 14,400), lower than expected trade balance, and unclear trade war between US and China were the main factors behind it. On the first two weeks of June, market was quiet on the back of led Fitri Holiday. Bank Indonesia was seen to support the bond market from weaken further by joining the bids as well as doing intervention in IDR currency. Offshore accounts decreased their holding by IDR 3.64tn in June 2018 (-0.44% MoM), from IDR833.81tn as of May 2018 to IDR830.17tn as of June 2018, which brought their holding to 37.79% of total outstanding tradable government bond (from 38.15% in the previous month). The 5Y yield June 2018 ended +75bps higher to 7.58% (6.83% in May 2018), 10Y tenor ended +81bps higher to 7.80% (6.99% in May 2018), 15Y tenor ended +67bps higher to 8.23% (7.56% in May 2018) and 20Y tenor ended +57bps higher to 8.15% (7.58% in May 2018).

In regards to our recent portfolio we maintain the strategy, and will opportunistically add weight should there be a significant correction in the fixed income market.

Disclaimer:

Smartlink Rupiah Fixed Income 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.