



INDONESIA PENSION CONFERENCE

25 YEARS OF PENSION SAVINGS

"Way Forward for Next Quarter Century"

25-26 April 2017
Grand Hyatt Hotel, Jakarta



CHALLENGES AND ISSUES **IN INVESTMENT MANAGEMENT FOR MANDATORY AND VOLUNTARY PENSION SCHEME**

by

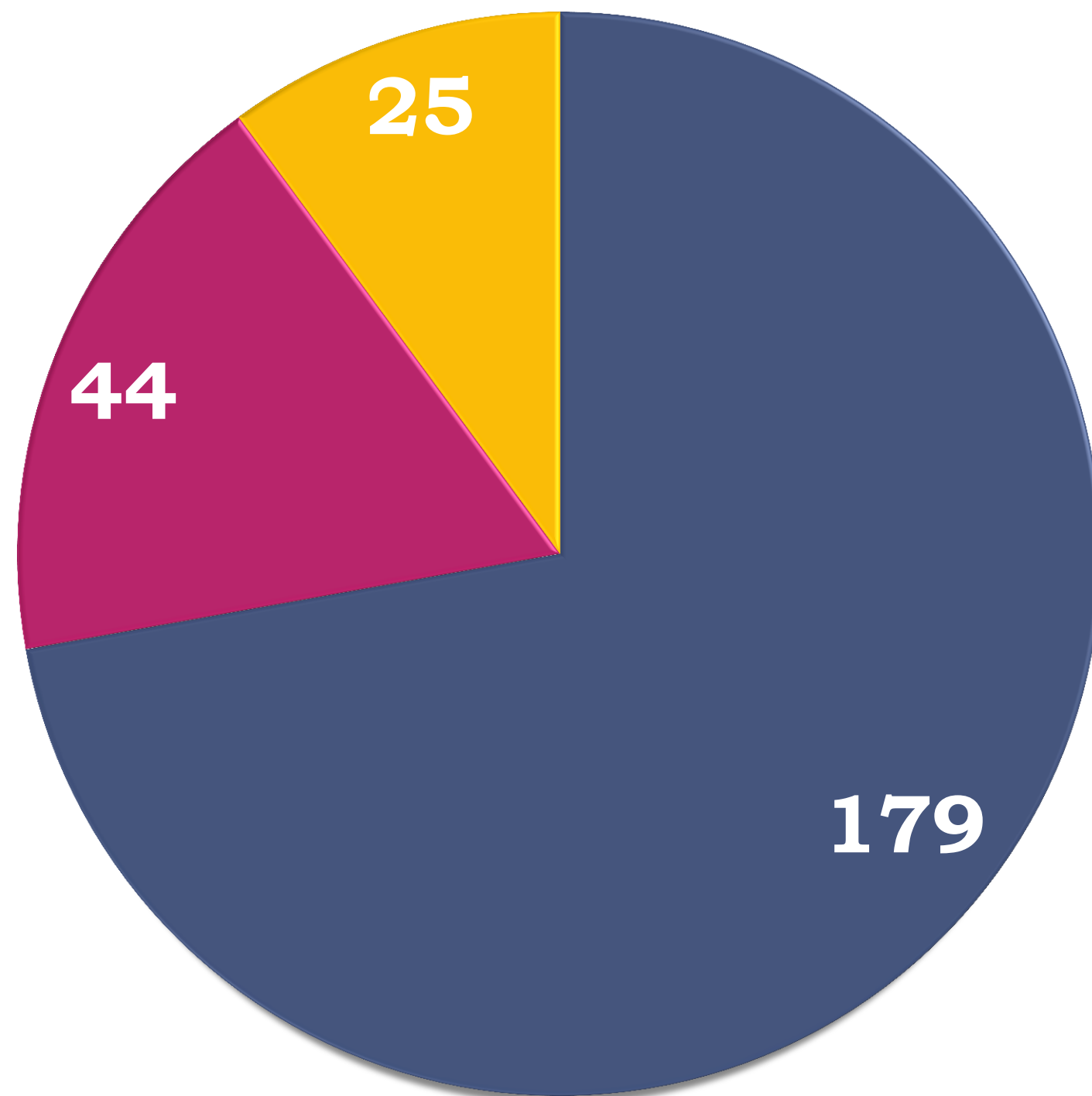
Asep Suwondo

***Acting Director Of Statistic & Information
For Non Bank Financial Institutions
Indonesia Financial Services Authority***



As of December 31, 2016

Voluntary Pension Fund



- **Defined Benefit Pension Funds (EPF-DBPF)**
- **Defined Contribution Pension Funds (EPF-DCPF)**
- **Financial Institution Pension Funds (FIPF)**

Mandatory



BPJS Ketenagakerjaan
(Social Security Administering Body (BPJS) for Employment)



PT TASPEN (PERSERO)



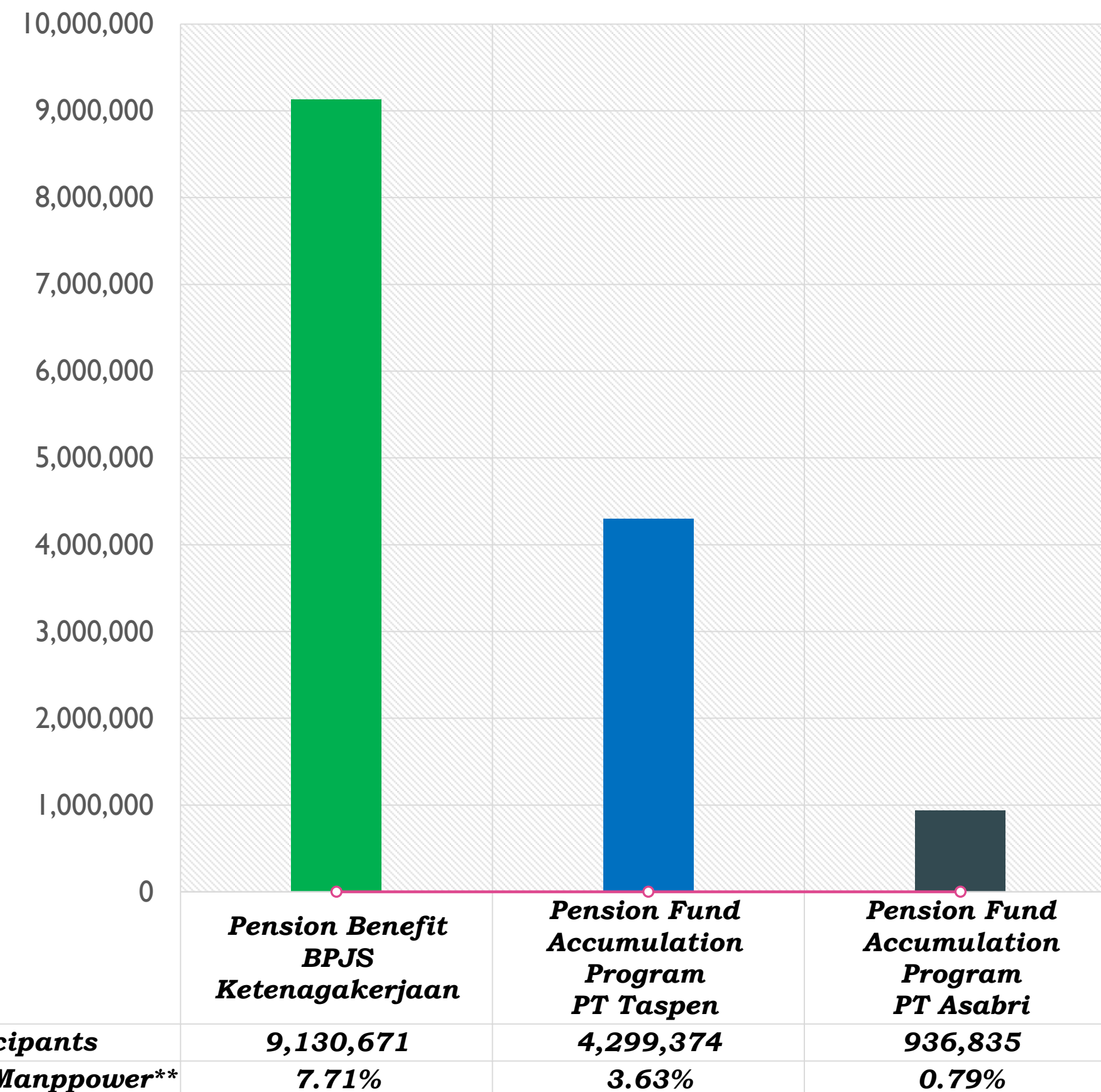
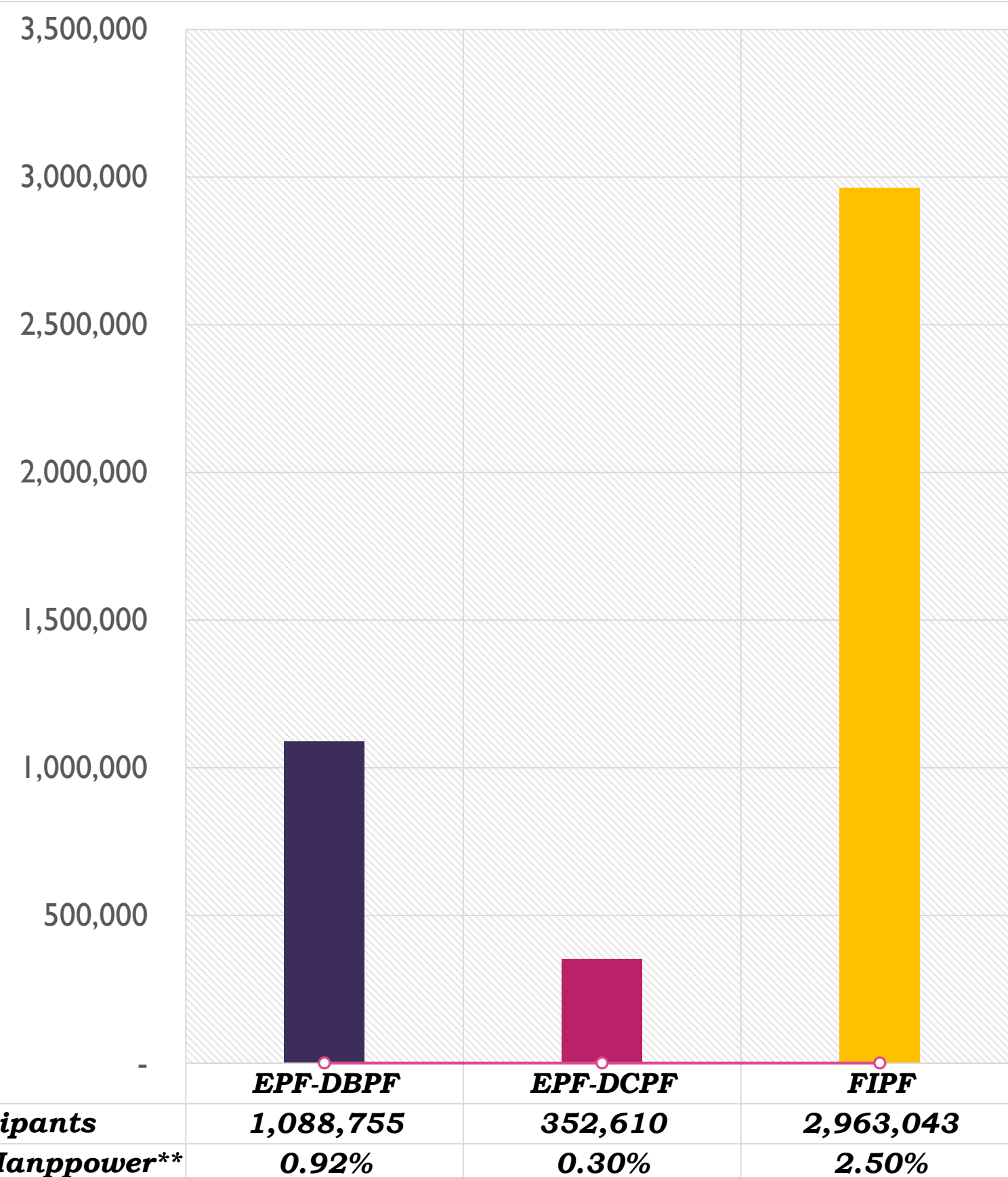
PT ASABRI (PERSERO)

PARTICIPANT

Voluntary Participant

TOTAL
18,771,288 persons /
16% of Manpower**

Mandatory Participant



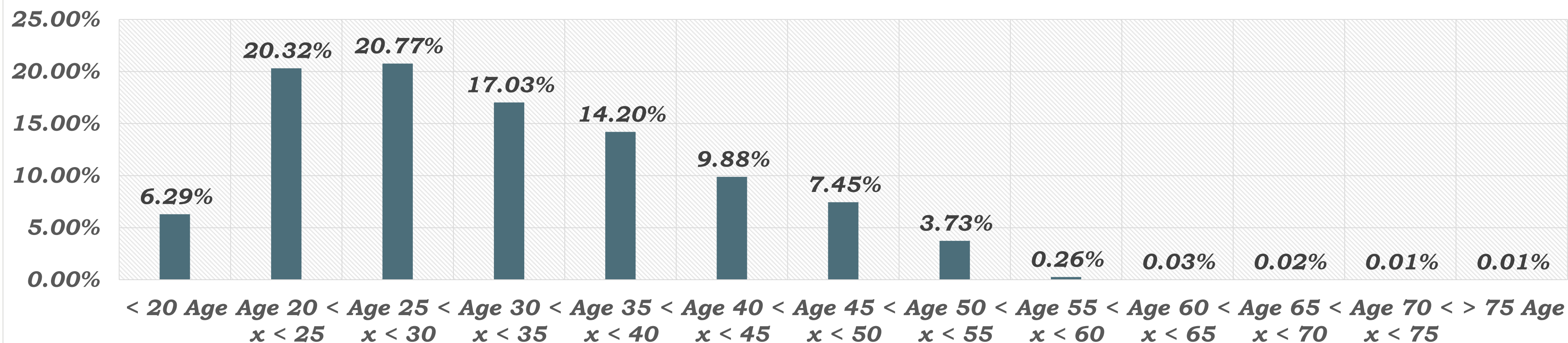
***AS OF DECEMBER 31, 2016**

**** INFORMAL AND FORMAL MANPOWER**

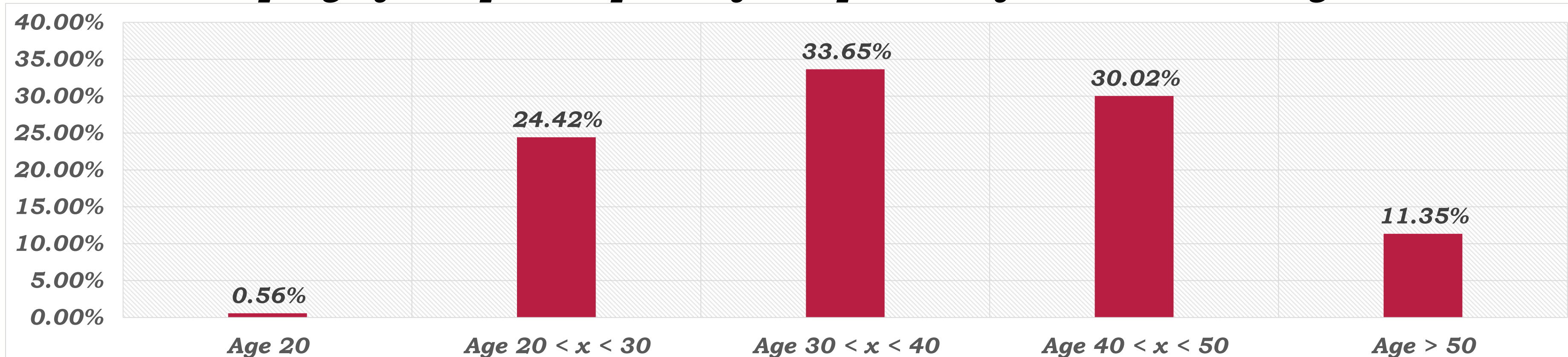


As of December 31, 2016

Grouping of the participant of the pension benefit program held by BPJS Ketenagakerjaan based on age



Grouping of the participant of the pension fund based on age



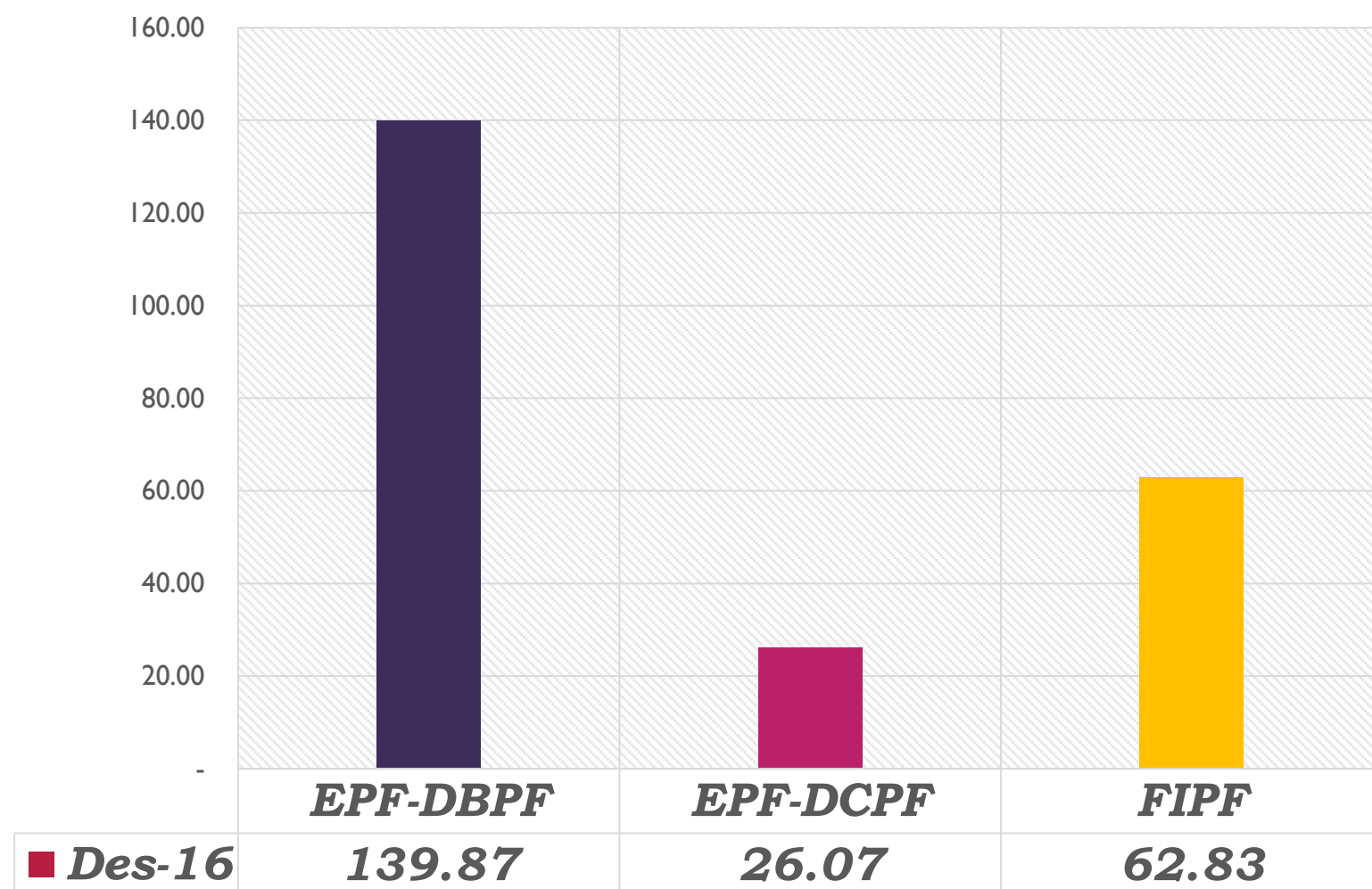
As of December 31, 2016

INVESTMENT

Voluntary

Total Investment 228.77 Trillion Of Rupiah

Total Pension Fund Investment Based On Pension Plan



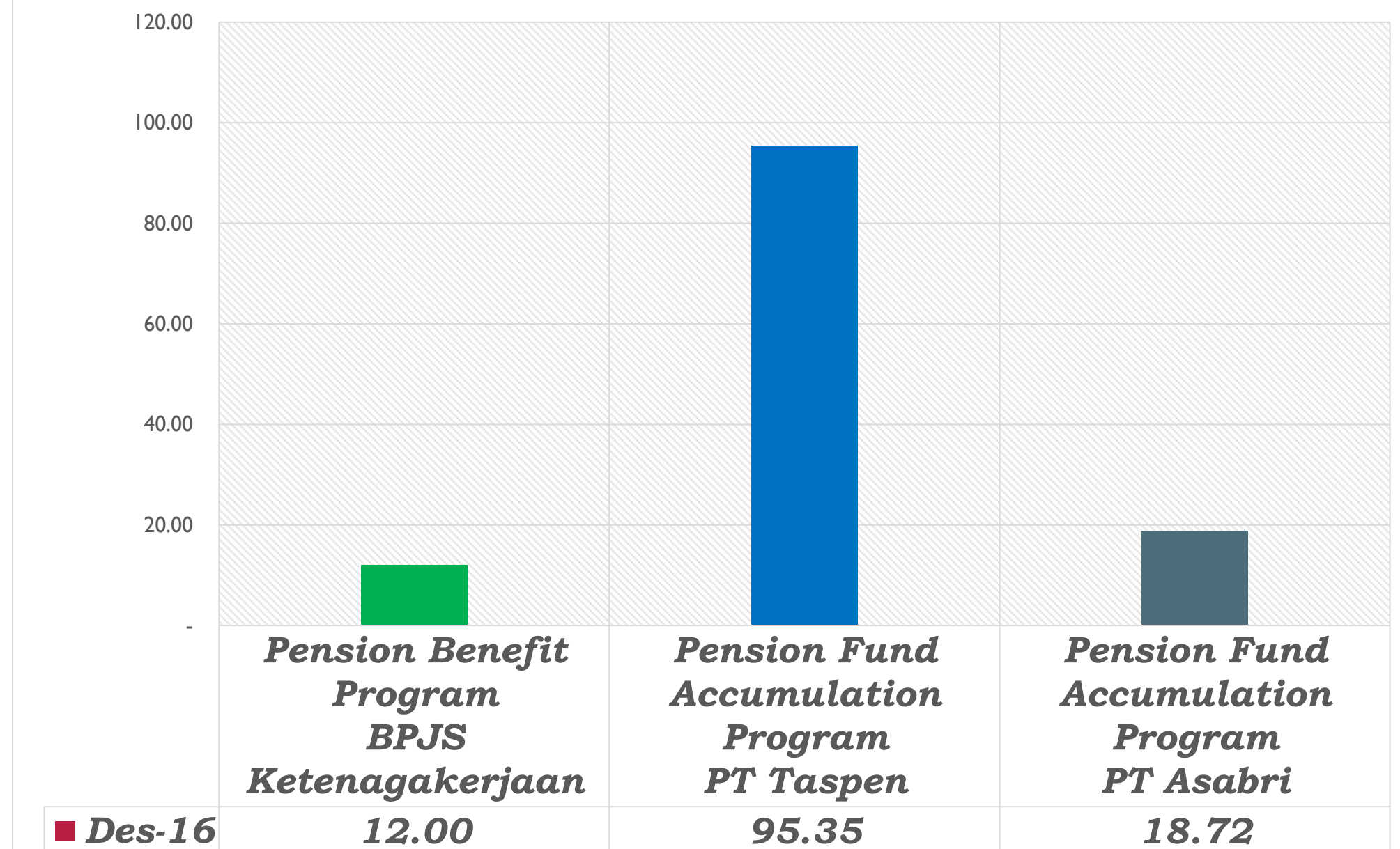
Expressed in Trillion Of Rupiah

ROI

EPF-DBPF : 7.8 %
EPF-DCPF : 6.2 %
FIPF : 6.0 %

Mandatory

Total Investment



Expressed in Trillion Of Rupiah

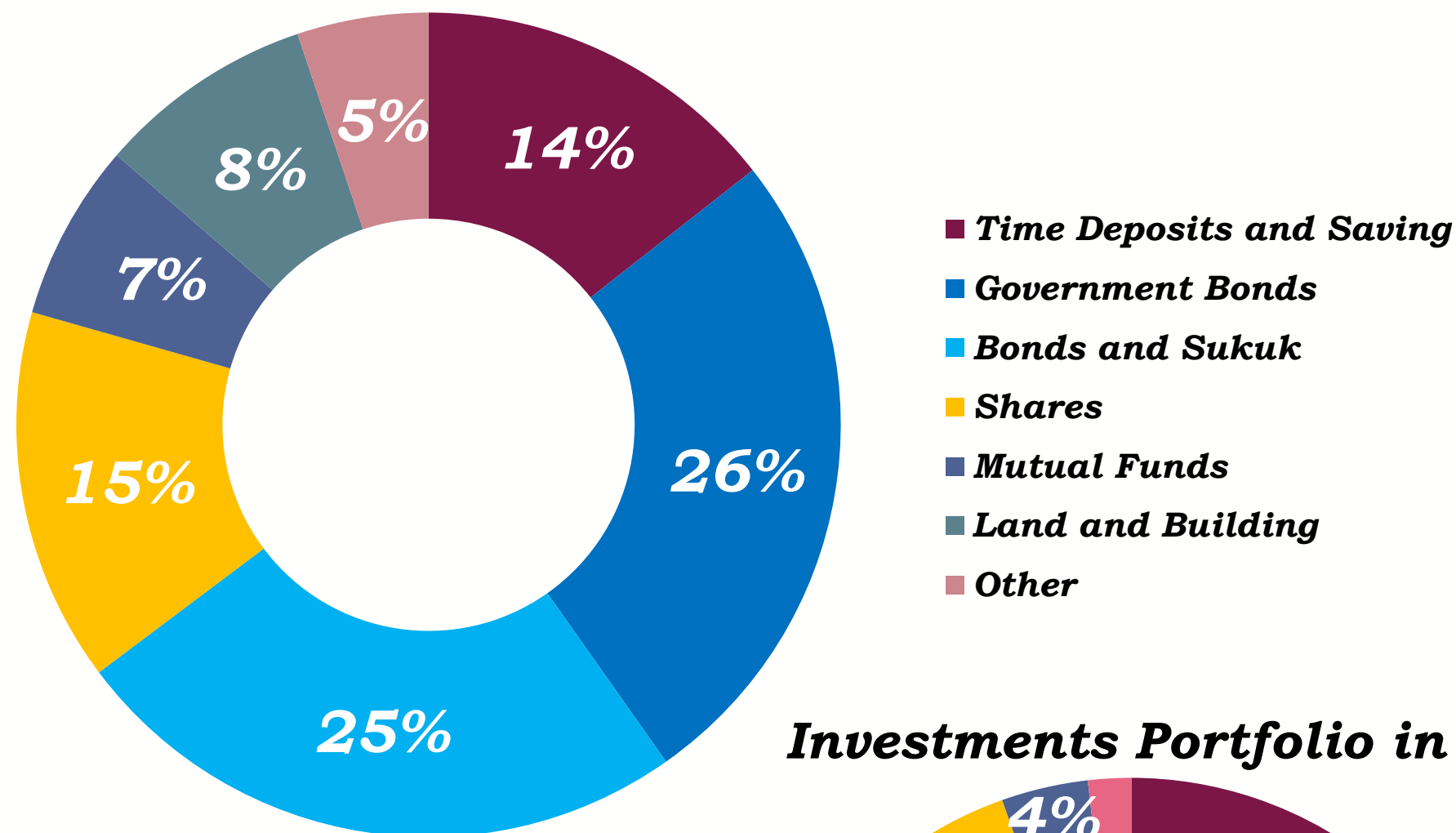
ROI

Pension Benefit Program BPJS Ketenagakerjaan 6.59%
Pension Fund Accumulation Program PT Asabri 4.28%

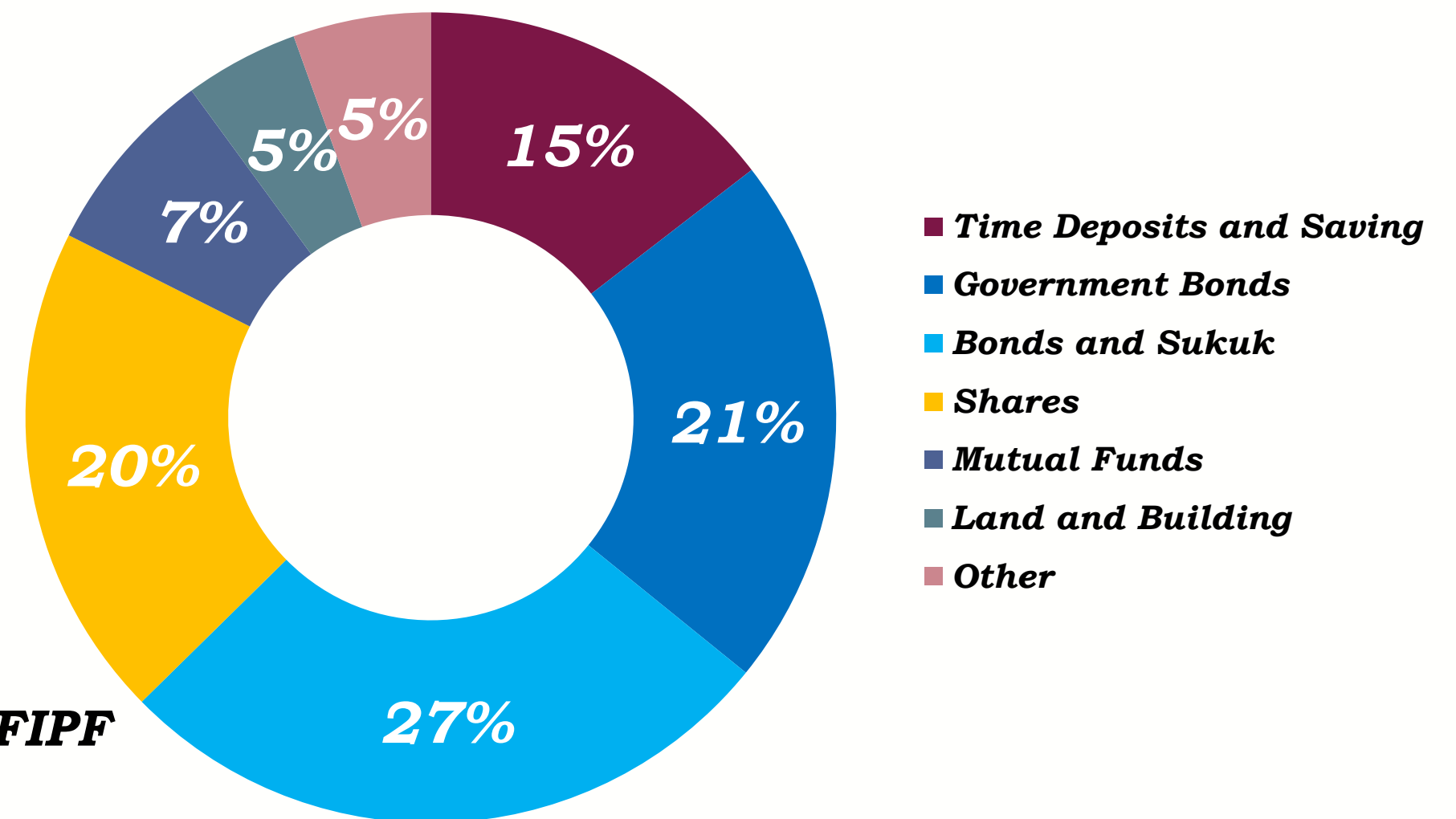


As of December 31, 2016

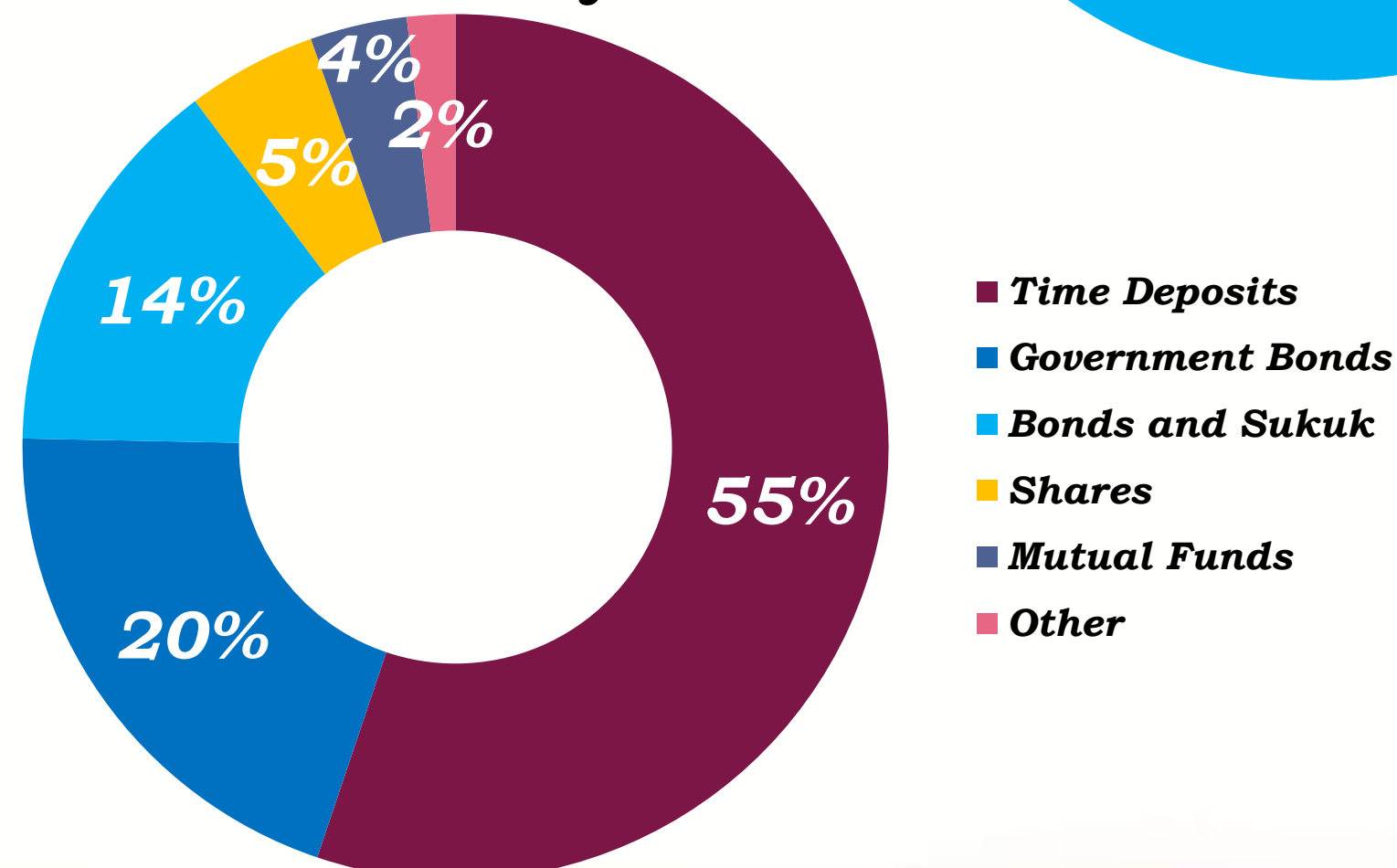
Investments Portfolio in EPF DBPF



Investments Portfolio in EPF DCPF



Investments Portfolio in FIPF



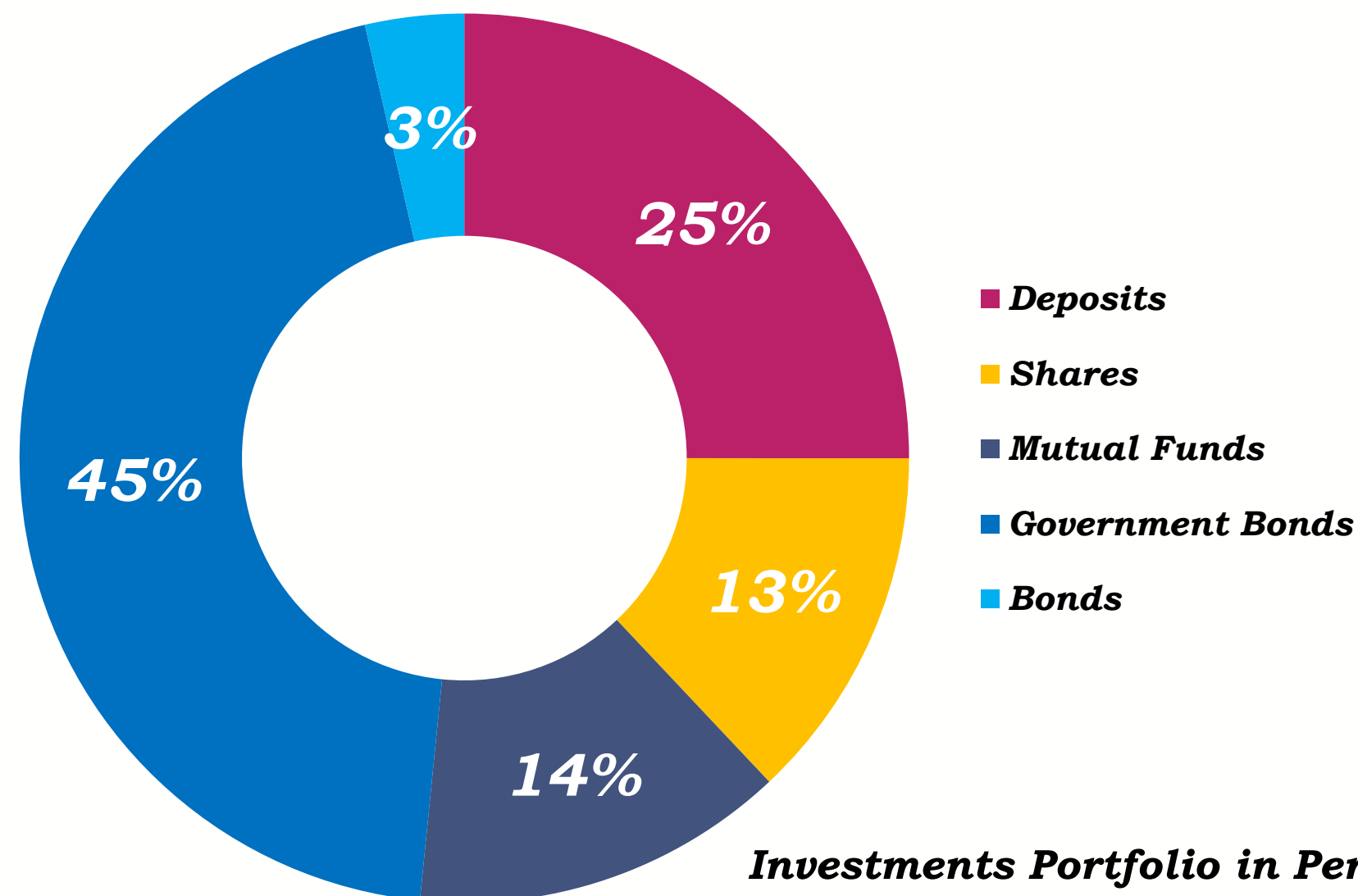
Other:

- *Negotiable Deposit Certificate*
- *Certificate of Bank Indonesia*
- *Medium Term Note*
- *Assets backed Security*
- *Real Estate Investment Funds*
- *Direct Placement in Share*

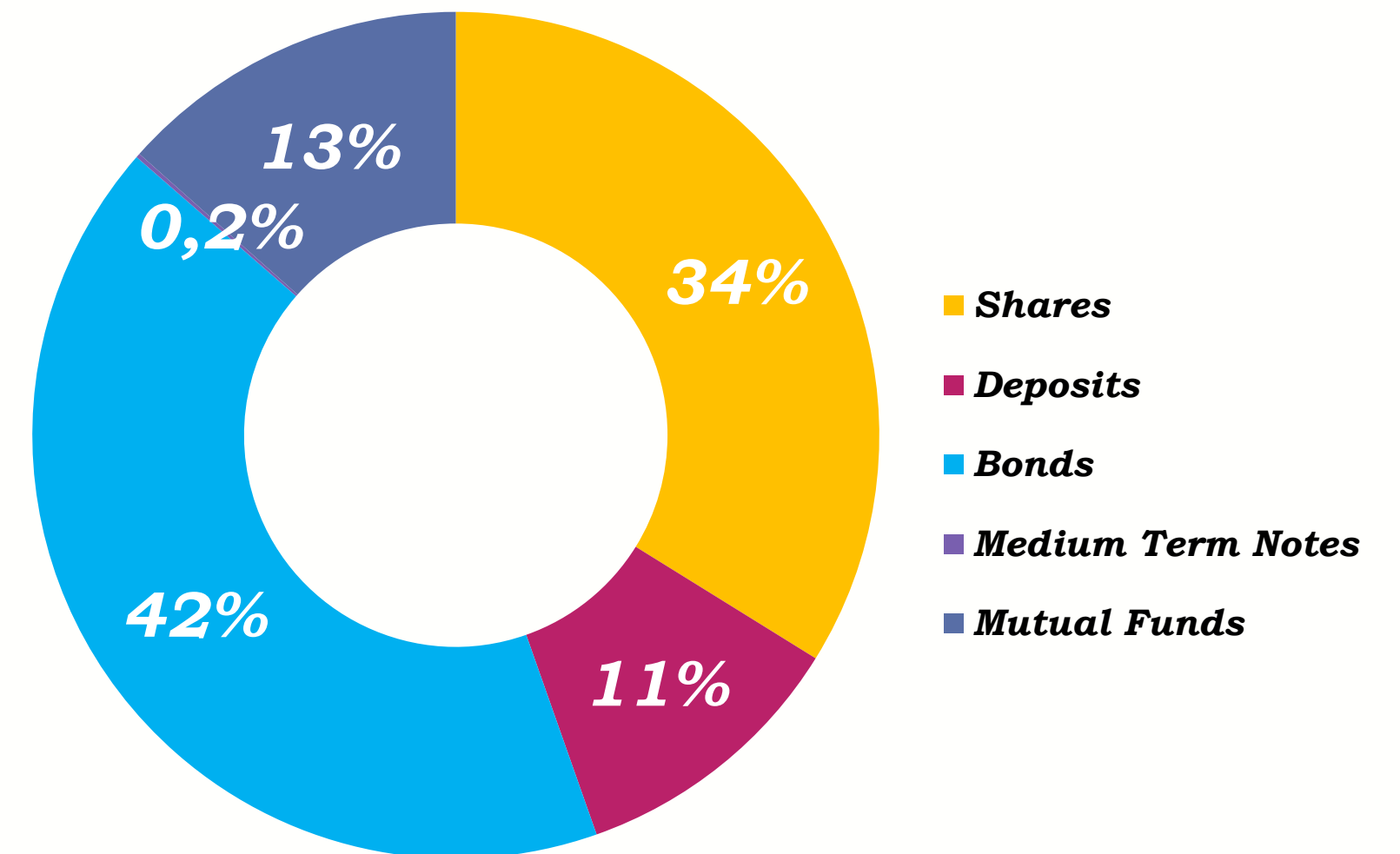


As of December 31, 2016

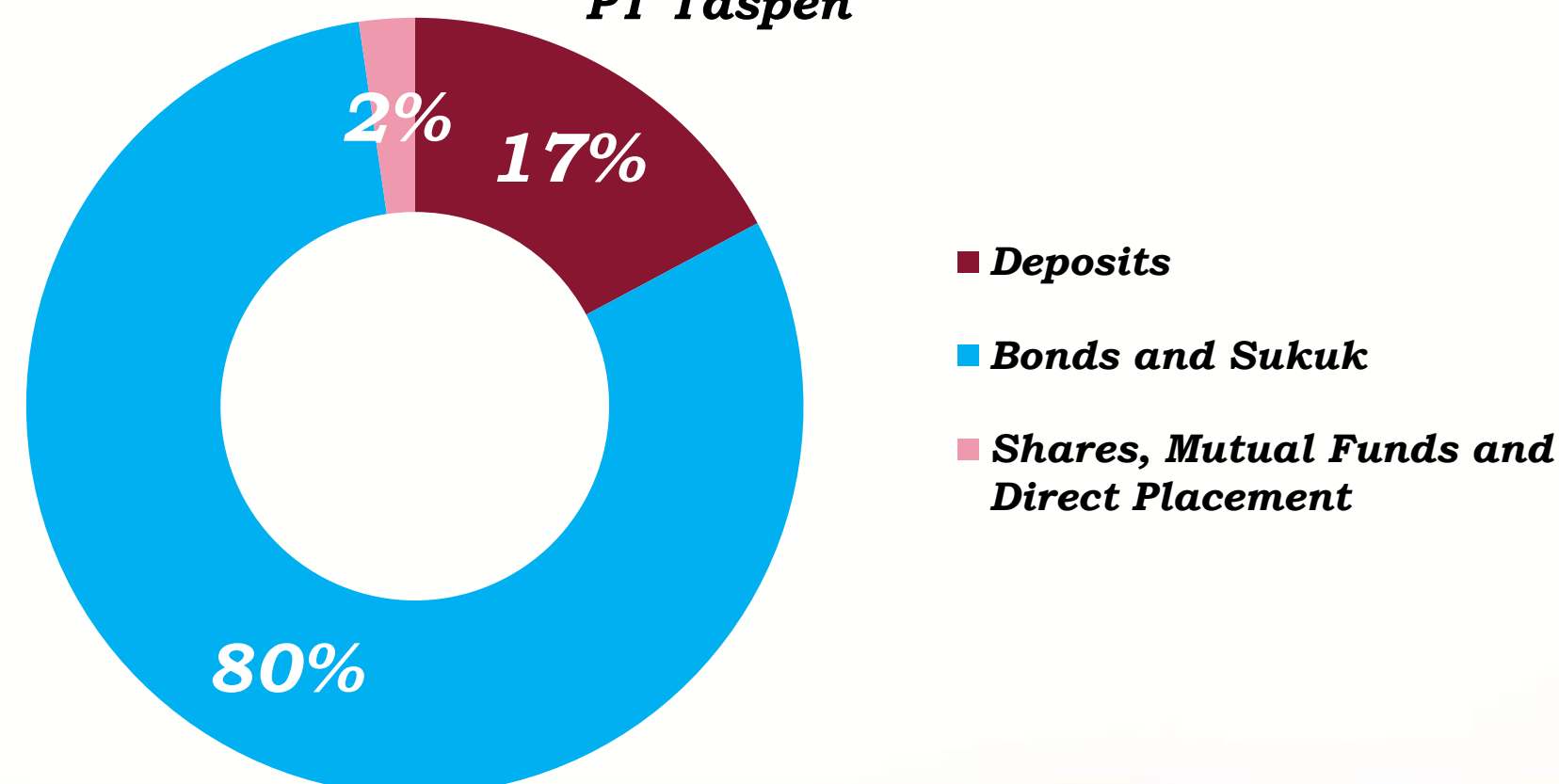
**Investments Portfolio in Pension Benefit Program
BPJS Ketenagakerjaan**



**Investments Portfolio in Pension Fund Accumulation Program
PT Asabri**



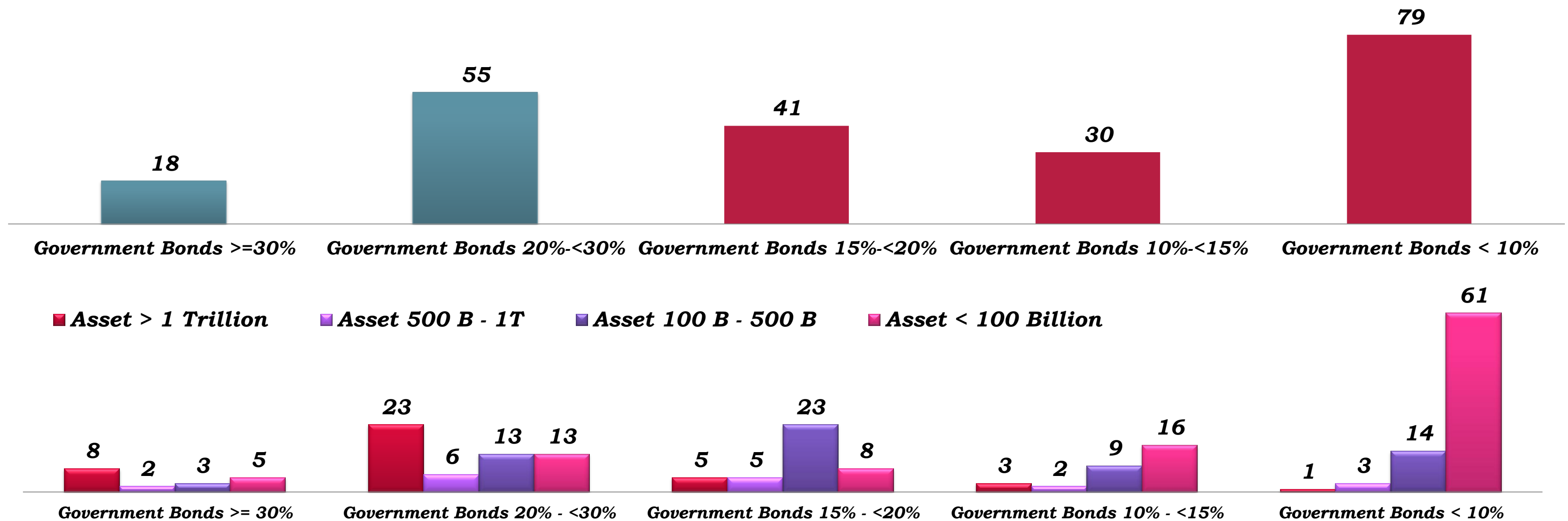
**Investments Portfolio in Pension Fund Accumulation Program
PT Taspen**



The Fulfillment of POJK No.1/POJK.05/2016 dan POJK No.36/POJK.05/2016 For Pension Fund and BPJS Ketenagakerjaan

Pension Fund

As of December 31, 2016



BPJS Ketenagakerjaan

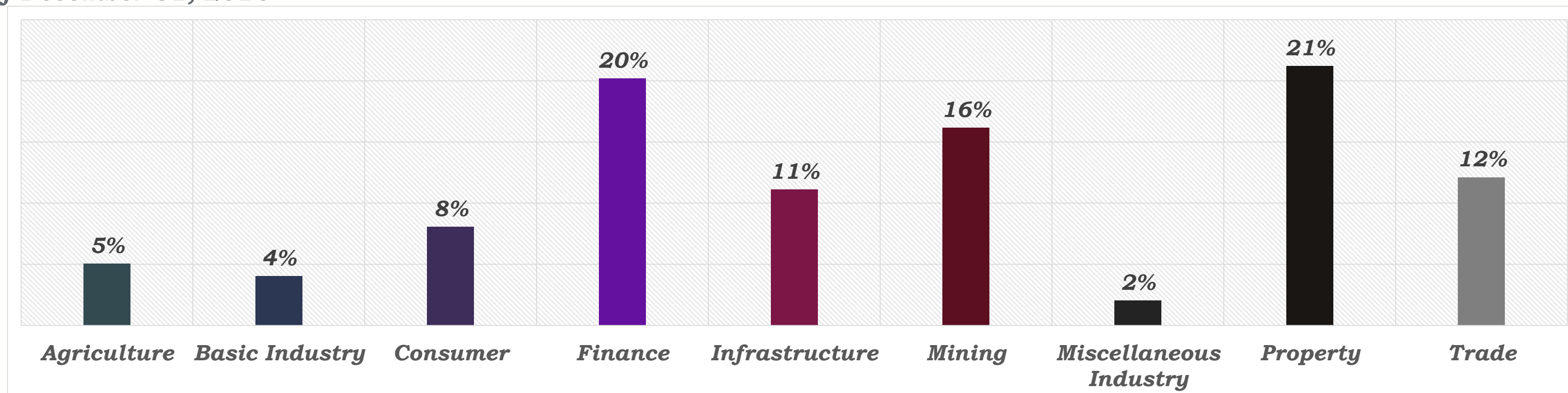
Total Government Bonds (SBN) Investment owned by BPJS Ketenagakerjaan and Social Security Fund (DJS) has reached the provisions as contained in POJK No.1 / POJK.05 / 2016 Concerning SBN investment which is 30% each for BPJS Ketenagakerjaan and 50% for Social Security Fund (DJS)



Shares

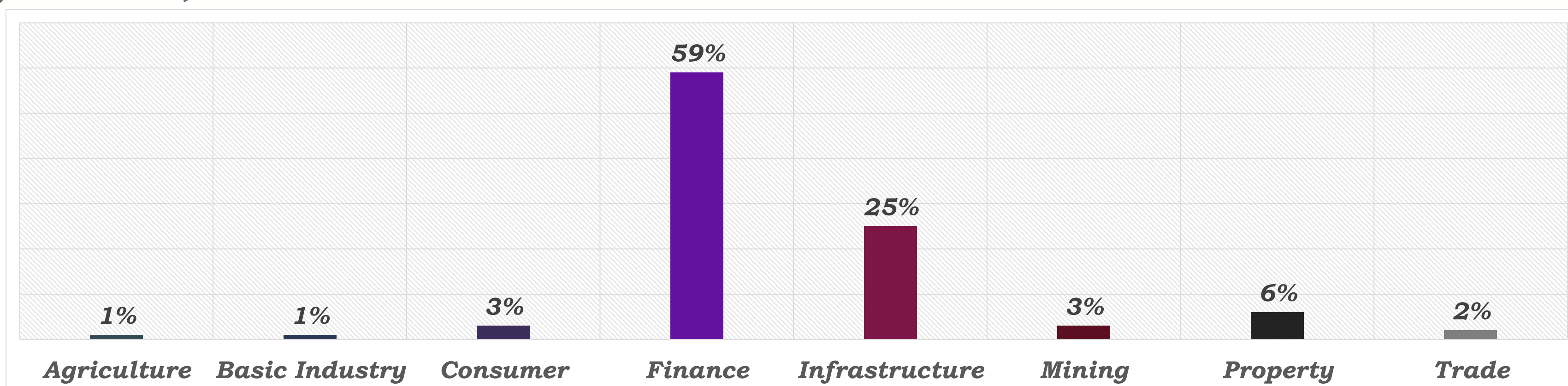
Pension fund investment on Shares and bonds

As of December 31, 2016



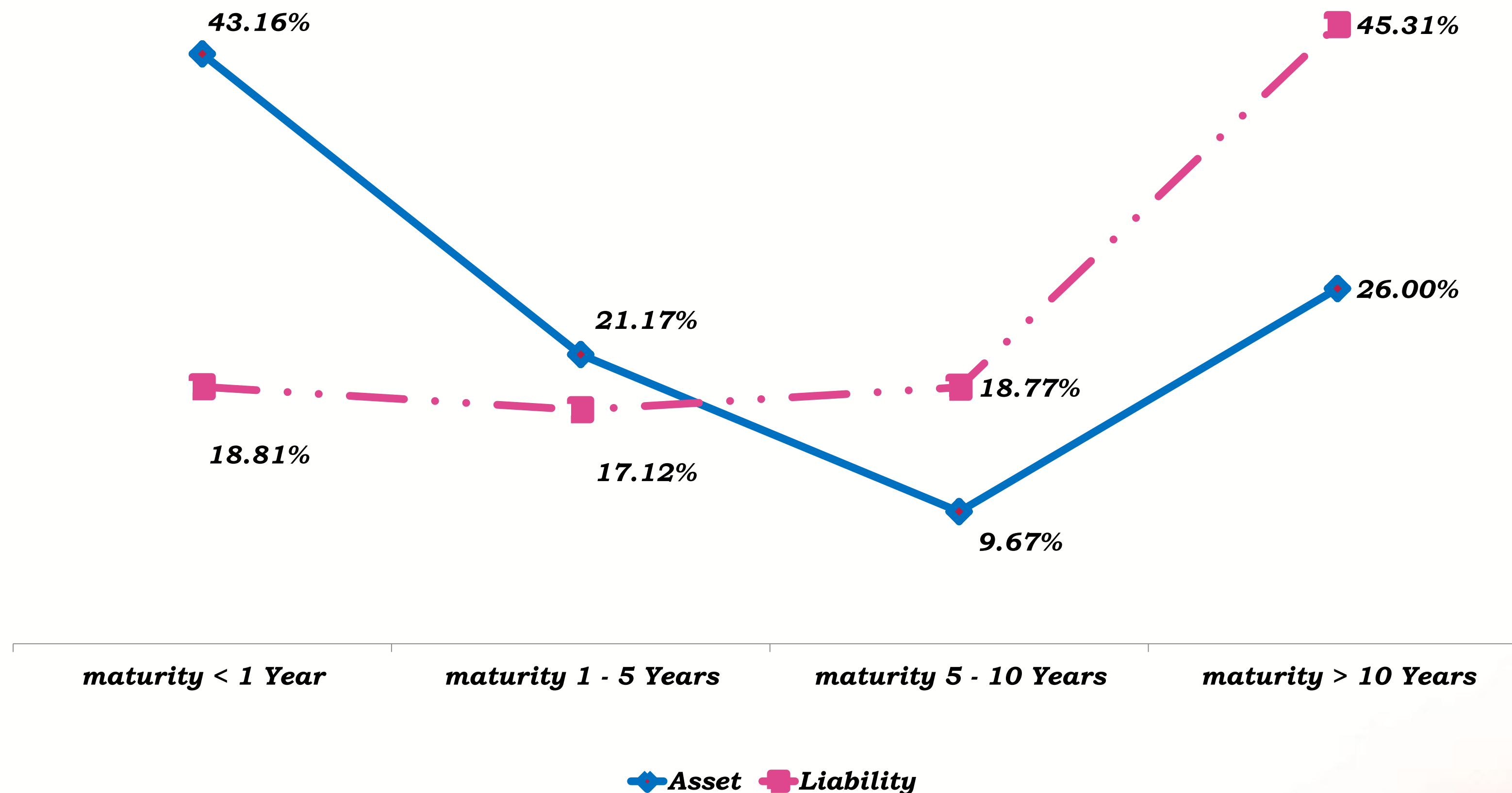
Bonds

As of December 31, 2016



Asset/Liability Matching of pension fund

As of December 31, 2016



Investment Restrictions Pension Fund

Investment Instrument	Limitation (Max)
<i>Saving, Deposit On Call, Time Deposits, Negotiable Deposit Certificate, Certificate of Bank Indonesia, Government Bonds, Share, Bonds, Sukuk, Assets backed Security, Real Estate Investment Funds, Stock Option Contracts.</i>	<i>100% of the total of investment</i>
<i>Mutual Fund and ETF</i>	<i>100% of the total of investment</i>
<i>Private Equity Fund</i>	<i>10% of the total of investment</i>
<i>Medium Terms Note</i>	<i>10% of the total of investment</i>
<i>Repurchase Agreement</i>	<i>2 % of the total of investment For every counterpart 5% of the total of investment</i>
<i>Direct Placement</i>	
<i>Direct Placement in Indonesia</i>	<i>15% of the total of investment</i>
<i>Direct Placement in abroad</i>	<i>5% of the total of investment</i>
<i>*) for Direct Placement to the financial services company</i>	<i>Can be more than 15% of the total of investment</i>
<i>Property</i>	<i>20% of the total of investment</i>

- *The amount of placement on all types of investments on one party except in Government Bonds (SBN) maximum 20% of the total Pension Fund investment*
- *The limits of any party to Mutual Fund investments, Assets backed Security, and / or Collective Investment Contract apply to the same Investment Manager*
- *The employer's pension fund is required to have Government Bond at least 30% of the total of investment*



Investment Restrictions For BPJS Ketenagakerjaan

Investment Instrument	Limitation	
Saving, Deposit On Call, Time Deposits, Negotiable Deposit Certificate	a. Maximun 25 % of the total of investment to every bank government; and b. Maximum 15 % of the total of investment to every bank besides government bank;	
Government Bonds	not subject to restrictions on the number and percentage	
Certificate of Bank Indonesia	not subject to restrictions on the number and percentage.	
Corporate Bonds	Maximum 50% of the total of investment	
Share	Maximum 50% of the total of investment	Maximum 5 % the total of investment for Every emitten
Mutual Fund	Maximum 50% of the total of investment	Maximum 15% the total of investment for Every Manager Investment
Assets backed Security	Maximum 20% of the total of investment	Maximum 10% the total of investment for Every Manager Investment or Publisher
Real estate investment fund		
repurchase agreement;	Maximum 5% of the total of investment	Maximum 2 % the total of investment for every counterpart
Direct Placement	Maximum 5% of the total of investment	Maximum 2% the total of investment for every counterpart Maximum 20% from financial service
Property	Maximum 10% of the total of investment	
Local Goverment Bonds	Maximum 50% of the total of investment	Maximum 2 % the total of investment for every emitten



Investment Restrictions Pension Fund Accumulation Program For PT ASABRI

Investment Instrument	Limitation	
<i>Government Bonds</i>	<i>Minimum 40% of the total of investment</i>	
<i>Deposit On Call, Time Deposits, Non Negotiable Deposit Certificate</i>	<i>Maximum 30% of the total of investment for every government bank</i>	<i>On one party not exceed 35% of the total of investment</i>
<i>Share</i>	<i>Maximum 10% of the total of investment for every emitten and overall maximum 40% of the total of investment</i>	<i>On one party not exceed 35% of the total of investment</i>
<i>Corporate Bonds and Corporate Sukuk</i>	<i>Maximum 15% of the total of investment for every emitten and overall maximum 50% of the total of investment</i>	<i>On one party not exceed 35% of the total of investment</i>
<i>Mutual Fund</i>	<i>Maximum 15% of the total of investment for every manager investment and overall maximum 50% of the total of investment</i>	<i>On one party not exceed 35% of the total of investment</i>
<i>Direct Placement</i>	<i>For each party not exceed 5% of the total of investment and overall maximum 10% of the total of investment</i>	<i>On one party not exceed 35% of the total of investment</i>



Investment Restrictions Pension Fund Accumulation Program For PT Taspen

Investment Instrument	Limitation	
<i>Government Bonds</i>	<i>Minimum 50% of the total of investment</i>	
<i>Deposit On Call, Time Deposits, Non Negotiable Deposit Certificate</i>	<i>Maximum 5% of the total of investment for every government bank</i>	<i>On one party not exceed 25% of the total of investment</i>
<i>Share</i>	<i>Maximum 10% of the total of investment for every emitten and overall maximum 40% of the total of investment</i>	<i>On one party not exceed 25% of the total of investment</i>
<i>Corporate Bonds and Corporate Sukuk</i>	<i>Maximum 15% of the total of investment for every emitten and overall maximum 50% of the total of investment</i>	<i>On one party not exceed 25% of the total of investment</i>
<i>Mutual Fund</i>	<i>Maximum 15% of the total of investment for every manager investment and overall maximum 50% of the total of investment</i>	<i>On one party not exceed 25% of the total of investment</i>
<i>Direct Placement</i>	<i>For each party not exceed 5% of the total of investment and overall maximum 10% of the total of investment</i>	<i>On one party not exceed 25% of the total of investment</i>



CHALLENGES AND ISSUES

Asset Liability Management

Closed Participant

lack of analysis

life cycle fund

Performance Measured

*financial hardship of employers
(DB-EPF)*

actuarial interest rate vs ROI



THANK YOU

