

# Group Link Fixed Income Fund

## March 2014



### INVESTMENT OBJECTIVE

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

### INVESTMENT STRATEGY

The Fund seeks to attain its objectives by investing in short term interest bearing instruments (such as deposits, SBI or money market mutual funds) and medium or long term interest bearing instruments (such as bonds and/or fixed income mutual fund).

### PERFORMANCE INDICATOR

#### Return Performance

Last 1-year period	-7.32%
Best Month	5.52% Oct-13
Worst Month	-5.83% Jun-13

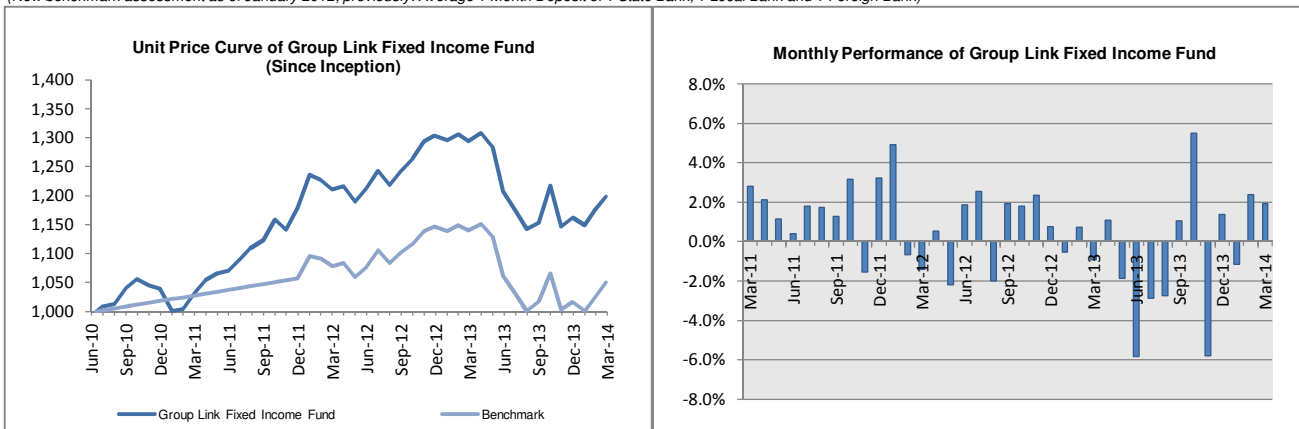
#### Portfolio Breakdown

Mutual Fund-Fixed Income	89.89%
Cash/Deposit	10.11%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Fixed Income Fund	1.94%	3.17%	3.93%	-7.32%	16.16%	3.17%	19.89%
Benchmark*	2.38%	3.36%	3.26%	-7.90%	2.21%	3.36%	5.04%

\*80% HSBC Bond Index & 20% Average Time Deposit (1 month) dari BNI, BCA and Citibank

(New benchmark assessment as of January 2012; previously: Average 1 Month Deposit of 1 State Bank, 1 Local Bank and 1 Foreign Bank)



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 61.39	<b>Pricing Frequency</b>	: Daily
<b>Risk Profile</b>	: Moderate Investor	<b>Price per Unit</b>	
<b>Launch Date</b>	: 12 July 2010	<b>(As of Mar 28, 2013)</b>	: IDR 1,198.89
<b>Fund Currency</b>	: Indonesian IDR		
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia		

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in March at +0.08% mom (vs consensus +0.11%, +0.26% in Feb). Better mom inflation was due to lower food prices. On yearly basis, inflation printed at 7.32% yoy (vs consensus 7.35%, 7.75% in Feb). Core inflation rose to 4.61% yoy (vs consensus 4.50%, 4.57% in Feb). In the Board of Governors' Meeting on April 8<sup>th</sup>, 2014, BI maintained its reference rate at 7.5%, Lending Facility at 7.5%, and the deposit facility rate (FASBI) at 5.75%. Rupiah appreciated against USD by +1.98% to 11,404 at end of March compared to previous month 11,634. Trade balance was surplus US\$0.789bn in Feb (vs consensus surplus +US\$0.3bn, deficit -US\$ 0.431bn in Jan), on the back of increasing of non-oil trade balance surplus (from US\$ 0.60 bn in January 2014 to US\$ 1.58 bn in February 2014) and the narrowing of oil and gas trade balance deficit (from -US\$1.05 bn in January 2014 to -US\$0.80 bn in February 2014). Export decreased by -2.96% YoY, while imports decreased by -10% YoY. Foreign reserves in March decreased by USD -0.1bn (-0.1% MoM) from USD102.7bn in Feb to USD102.6bn in Mar.

IDR government bond yield curve bullish flattened in March. Bond prices was higher especially in benchmark series post news of Jokowi elected as presidential candidates from PDIP party. Negative sentiments came from US Federal Reserve Chair Janet Yellen' statement that they could begin raising rates six months after it end its monthly bond-buying program. Offshore accounts increased their holding by IDR 15.77Tn in March 2014 (+4.57% mom), from IDR 345.14Tn as of February 28, 2014 to IDR 360.91Tn as of March 28, 2014, which brought their holding to 33.64% of total outstanding tradable government bond (from 33.48% in the previous month). The 5Y yield March was lower by -18bps to 7.7% (7.88% in February 2014), 10Y tenor lower by -33bps to 8.00% (8.33% in February 2014), 15Y tenor lower by -52bps to 8.38% (8.90% in February 2014) and 20Y tenor lower by -41bps to 8.54% (8.95% in February 2014).

#### Disclaimer:

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