

# Group Link Fixed Income Fund

## March 2015



### 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	11.66%
Best Month	5.82% Jan-15
Worst Month	-5.83% Jun-13

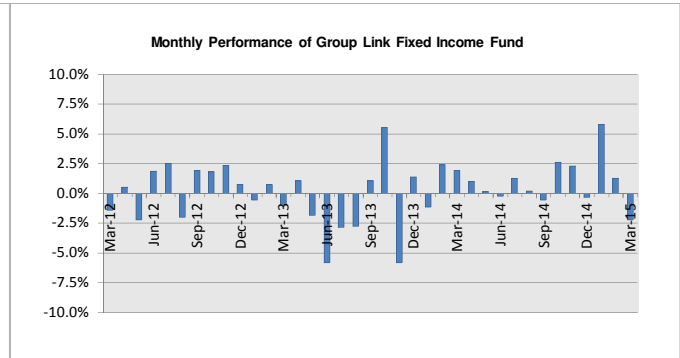
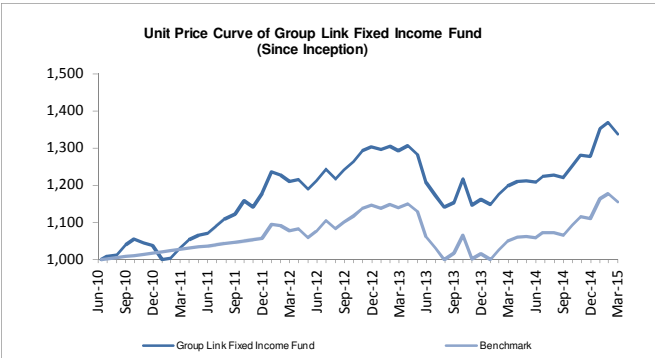
#### Portfolio Breakdown

Mutual Fund Fixed Income	95.14%
Cash/Deposit	4.86%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Fixed Income Fund	-2.23%	4.79%	9.64%	11.66%	10.61%	4.79%	33.87%
Benchmark*	-1.98%	3.99%	8.35%	9.97%	7.10%	3.99%	15.50%

\*80% HSBC Indonesian Local 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 60.33	<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 31, 2015)</b>	: IDR 1,338.73
<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 Mar 2015 at 0.17% mom (vs consensus 0.22%, inflation -0.36% in Feb 2015) which was caused by higher processed food, beverages, cigarettes and tobacco prices. On yearly basis, inflation printed at 6.38% YoY (vs consensus 6.39%, 6.29% in Feb 2015). Core inflation printed at 5.04% YoY, higher than previous month (vs consensus 4.95%, 4.96% in Feb 2015). In the Board of Governors' Meeting on Mar 17th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%. Rupiah depreciated against USD by -1.72% to 13,084 at end of Mar compared to previous month 12,863. Trade balance was surplus +0.74bn USD (non-oil and gas surplus 0.17bn, oil and gas surplus 0.57bn USD) in Feb 2015 (vs consensus surplus 0.64bn USD, surplus 0.74bn USD in Jan 2015). Export decreased by -16.02% YoY mostly driven from export in jewelry, while imports decreased -16.24% YoY. FX Reserves decreased -3.973bn USD from 115.527bn USD in Feb 2015 to 111.554bn USD in Mar 2015.

IDR government bond yields curve closed lower across all tenor in Mar 2015 as foreign accounts sell off their inventories as their hedging cost was getting more expensive due to appreciation of USD against IDR and other currencies in the region. The uncertainty of currency rate has made the market fluctuated. Positive sentiment came from MOF's decision to cancel the debt switch. MOF canceled debt switch on March 12 which will help to support market as no additional supply into the long end bonds. President Jokowi announced policy to address CAD that has been impacting weakening IDR. Some of the policies include: Anti-dumping tax on import products, Tax incentive for Indonesian companies that meet 30% export quota, Tax incentive for local shipping companies, Increase of biodiesel component in fuel, Tax incentive for foreign company on dividend reinvested in Indonesia, Formulate tax payment for foreign shipping companies, Forming reinsurance company under state own entity, To enforce the use of IDR in Indonesia. Offshore accounts decreased their holding by IDR 3.39Tn in Mar 2015 (-0.67% MoM), from IDR 507.47Tn as of Feb 27, 2015 to IDR 504.08Tn as of Mar 31, 2015, which brought their holding to 36.61% of total outstanding tradable government bond (from 40.02% in the previous month). The 5Y yield Mar was higher by +46bps to 7.32% (6.86% in Feb 2015), 10Y tenor higher by 39bps to 7.45% (7.06% in Feb 2015), 15Y tenor higher by 43bps to 7.71% (7.28% in Feb 2015) and 20Y tenor higher by 46bps to 7.77% (7.31% in Jan 2015).

### Disclaimer:

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