

# Group Link Fixed Income Fund

## November 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	<b>2.81%</b>
Best Month	<b>5.82% Jan-15</b>
Worst Month	<b>-5.83% Jun-13</b>

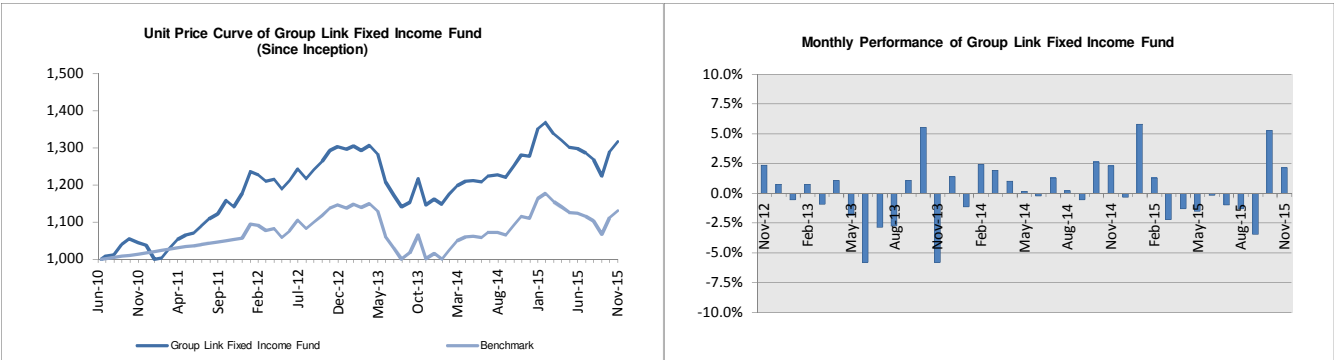
#### Portfolio Breakdown

Mutual Fund Fixed Income	<b>95.00%</b>
Cash/Deposit	<b>5.00%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Fixed Income Fund	2.15%	3.81%	1.25%	2.81%	1.89%	3.15%	31.78%
Benchmark*	1.66%	2.43%	0.42%	1.43%	-0.63%	1.88%	13.16%

\*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 67.49	<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 Nov 30, 2015)</b>	: IDR 1,317.79
<b>Fund Currency</b>	: Indonesian IDR		
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia		

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced November's inflation at 0.21% mom (vs consensus +0.17%, deflation -0.08% in Oct 2015) mostly were caused by higher food ingredients. On yearly basis, inflation printed at 4.89% YoY (vs consensus 4.85%, 6.25% in Oct 2015). Core inflation printed at +4.77% YoY, lower compared to previous month (vs consensus +4.91%, +5.02% in Oct 2015). In the Board of Governors' Meeting on Nov 17th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%, however cut reserve requirement by 50bps effective per December 2015. Rupiah depreciated against USD by -1.47% to 13,840 at end of November compared to previous month 13,639. Trade balance was surplus +1.01bn USD (non-oil and gas surplus 1.39bn, oil and gas deficit 0.38bn USD) in Oct 2015. Export decreased by -20.98% YoY mostly driven from export in natural oil, while imports decreased by -27.81% YoY. FX Reserves decreased -0.47bn USD from 100.71bn USD in Oct 2015 to 100.24bn USD in Nov 2015.

IDR government bond yields closed lower all across the curve in Nov 2015 on the back of offshore inflows. Positive sentiment emerged from higher regional stock market and 6th stimulus package announcement in the first week. BI's decision to cut reserve requirement was also reason behind the foreign buying. Negative sentiment came from strong US NFP result which brings the possibility of fed rate hike becomes higher and Paris's attack. The 6th stimulus package includes fiscal incentives for special economic zones and allows existing packaged drinking water companies to continue business activities despite a Constitutional Court ruling early this year that banned a private monopoly on the nation's water resources. U.S. job growth increased at it strongest pace of 2015 during October. Non-farm payrolls rose a seasonally adjusted 271,000 (Mkt est: 185k). Revisions added a combined 12,000 jobs over the prior two months bringing the three-month average through October to a solid 187k. Government succeed to do private placement on 3mo SPN non tradable with huge size by about 10.168tn at 6.75%. MoF also issued 658bn of non-tradable 9mo SPN bills through private placement gave positive sentiment to the market. Offshore accounts increased their holding by IDR 19.75Tn in Nov 2015 (+3.74% MoM), from IDR 528.76Tn as of Oct 30, 2015 to IDR 548.52Tn as of Nov 30, 2015, which brought their holding to 38.15% of total outstanding tradable government bond (from 37.10% in the previous month). The 5Y yield Nov was lower by -27bps to 8.50% (8.77% in Oct 2015), 10Y tenor lower by -25bps to 8.62% (8.87% in Oct 2015), 15Y tenor lower by -37bps to 8.75% (9.12% in Oct 2015) and 20Y tenor lower by -36bps to 8.81% (9.17% in Oct 2015).

#### Disclaimer:

Group Link Fixed Income is an investment product 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.