

Group Link Fixed Income Fund

January 2016



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 **-0.14%**
 Best Month **5.82% Jan-15**
 Worst Month **-5.83% Jun-13**

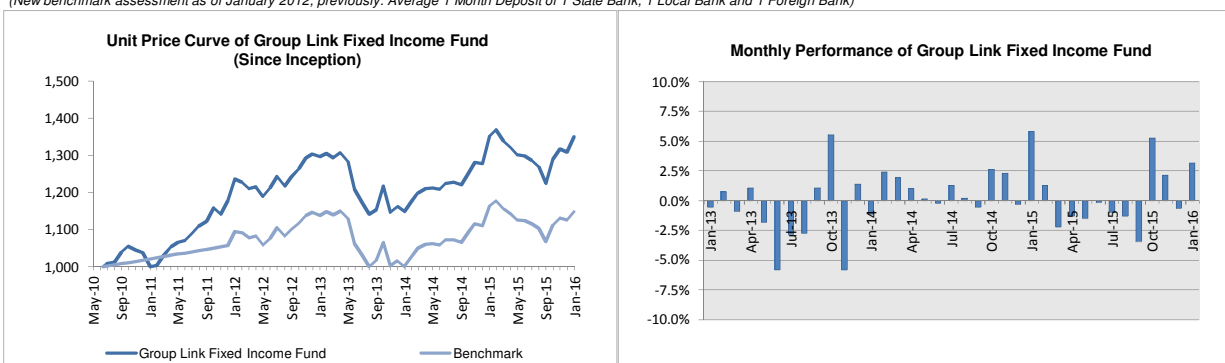
Portfolio Breakdown

Mutual Fund Fixed Income **95.04%**
 Cash/Deposit **4.96%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Fixed Income Fund	3.13%	4.65%	4.96%	-0.14%	4.16%	3.13%	35.01%
Benchmark*	2.02%	3.17%	2.89%	-1.39%	0.82%	2.02%	14.84%

*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

Fund Size (in bn IDR) : IDR 87.60
Risk Profile : Moderate Investor
Launch Date : 12 July 2010
Fund Currency : Indonesian IDR
Managed by : PT. Asuransi Allianz Life Indonesia

Pricing Frequency : Daily
Price per Unit (As of Jan 29, 2016) : IDR 1,350.08

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced January's inflation at 0.51% mom (vs consensus +0.66%, +0.96% in Dec 2015) mostly were caused by higher food ingredients, processed food, beverages, cigarette and tobacco. On yearly basis, inflation printed at 4.14% YoY (vs consensus 4.26%, 3.35% in Dec 2015). Core inflation printed at +3.62% YoY, lower compared to previous month (vs consensus 3.80%, +3.95% in Dec 2015). In the Board of Governors' Meeting on Jan 14th, 2016, Bank Indonesia cut its reference rate by 25bps to 7.25%, Lending Facility to 7.75% as well as facility rate (FASBI) to 5.25%. Rupiah depreciated against USD by -0.37% to 13,846 at end of January compared to previous month 13,795. Trade balance was deficit -0.23bn USD (non-oil and gas surplus 0.27bn, oil and gas deficit 0.50bn USD) in Dec 2015. Export decreased by -17.66% YoY mostly driven from export in iron and steel, while imports decreased by -16.02% YoY. FX Reserves decreased -3.8bn USD from 105.93bn USD in Dec 2015 to 102.13bn USD in Jan 2016 due to maturing government global bond.

IDR government bond yields closed lower all across the curve in Jan 2016 on the back offshore inflows especially on short and medium tenor. News on reduced Tax for deposits from Export Proceed and BI decision to cut the rate gave positive sentiment to the market. Positive sentiment also came from market expectation that BI will continue easing due to lower inflation and Indonesia's rating outcome from Moody's. While market uncertainty which led by China currency and stocks matters, oil prices tumbling and the Sarinah bomb attack gave negative sentiment to the market. Moody's affirmed Indonesia's Baa3 sovereign rating with stable outlook. The Bank of Japan unexpectedly cut a benchmark interest rate below zero on Jan 29, stunning investors with another bold move to revive the economy as volatile markets and slowing global growth threaten its efforts to beat deflation according to Reuters. Offshore accounts increased their holding by IDR 19.8Tn in Jan 2016 (+3.54% MoM), from IDR 558.52Tn as of Dec 31, 2015 to IDR 578.32Tn as of Jan 29, 2016, which brought their holding to 38.94% of total outstanding tradable government bond (from 38.21% in the previous month). The 5Y yield Jan 2016 was lower by -55bps to 8.27% (8.82% in Dec 2015), 10Y tenor lower by -50bps to 8.25% (8.75% in Dec 2015), 15Y tenor lower by -42bps to 8.55% (8.97% in Dec 2015) and 20Y tenor lower by -27bps to 8.69% (8.96% in Dec 2015).

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