

Group Link Fixed Income Fund

November 2017



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 **15.26%**
Best Month **5.82%** Jan-15
Worst Month **-5.83%** Jun-13

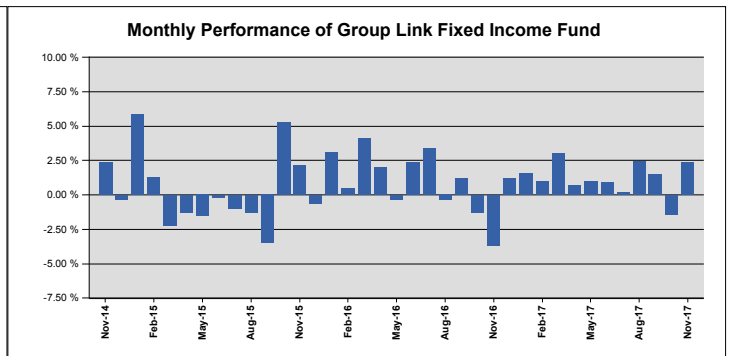
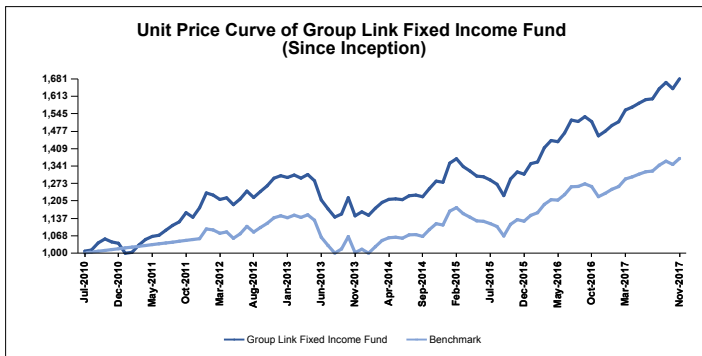
Portfolio Breakdown

Mutual Funds - Bonds **97.83%**
Cash/Deposit **2.17%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Fixed Income Fund	2.34%	2.36%	6.01%	15.26%	31.16%	13.87%	68.12%
Benchmark*	1.73%	1.96%	4.69%	12.22%	22.84%	11.05%	37.04%

*80% Bloomberg Indonesia Local Sovereign Bond (BINDO) Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank

(Benchmark assessment; before Mar 2016: 80% HSBC Indonesia Local Bond Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank; before Jan 2012: Average 1 Month Deposit of 1 State bank, 1 Local bank and 1 Foreign bank)



KEY FUND FACTS

Fund Size (in bn IDR) : IDR 116.56
Risk Profile : Moderate
Launch Date : 12 Jul 2010
Fund Currency : Indonesian Rupiah
Managed by : PT Asuransi Allianz Life Indonesia

Pricing Frequency : Daily
Price per Unit (As of Nov 30, 2017) : IDR 1,681.19

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Nov 2017 inflation at +0.20% mom (vs consensus inflation +0.29%, +0.01% in Oct 2017). On yearly basis, inflation was lower to +3.30%yoy (vs consensus inflation +3.41%, +3.58% in Oct 2017). Core inflation was printed at +3.05%yoy (vs 3.07% in Oct 2017). Inflation was mainly caused by higher food ingredients also processed food, beverage, cigarette and tobacco prices. In the Board of Governors' Meeting on 16 Nov 2017, Bank Indonesia maintained the BI 7-day Reverse Repo Rate at 4.25%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 3.50% and 5.00% respectively. Rupiah appreciated by +0.43% to 13,514/USD at end of Oct 2017 from 13,572/USD in previous month. Trade balance booked surplus of USD 0.90bn (non-oil and gas surplus USD 1.69bn, oil and gas deficit USD 0.79bn) in Oct 2017. Export rose by +18.39% YoY mostly driven by ore, crust and metal ash, while imports rose by +23.33% YoY. Indonesia's foreign reserves decreased USD 2.85bn to USD 126.55bn in Oct 2017 from USD 129.40bn in Sep 2017. The decrease was primarily attributable to foreign debt repayment and Rupiah stabilization also related to the reduction of foreign exchange placement in central bank for the need of payment.

IDR government bond yields closed lower across the curve in Nov 2017 on the back of foreign inflows. However, some domestic data such as lower than expected GDP numbers and trade data result had triggered some profit taking activities in the market mostly by onshore players; as well as global bond yields rising at the end of the month. While positive sentiment came from MoF's cancelation announcement of the last two bond auctions in December. On Nov 28, the government announced the cancellation of the bond auction in December both for sukuk and conventional, as financing targets of the revised budget financing year 2017 through government securities auction have been reached. The Indonesian government did pre-funding bond issuance 2018 totaling USD4bn using SEC Registered Standalone format with detail: 5yr tenor USD1bn at ytm 3%; 10yr tenor USD1.25bn at ytm 3.55%; and 30yr tenor USD1.7bn at ytm 4.4%. Offshore accounts increased their holding by IDR 34.62tn in Nov 2017 (+4.35% MoM), from IDR 796.20tn as of Oct 2017 to IDR 830.81tn as of Nov 2017, which brought their holding to 39.28% of total outstanding tradable government bond (from 38.35% in the previous month). The 5Y yield Nov 2017 ended -37bps lower to 6.08% (6.45% in Oct 2017). 10Y tenor ended -29bps lower to 6.52% (6.81% in Oct 2017), 15Y tenor ended -30bps lower to 7.06% (7.36% in Oct 2017) and 20Y tenor ended -20bps lower to 7.20% (7.40% in Sep Oct).