

# GROUP LINK FIXED INCOME FUND

## March 2018

### 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).

### Return Performance

Last 1-year Period		9.55%
Best Month	Jan-15	5.82%
Worst Month	Jun-13	-5.83%

### Portfolio Breakdown

Mutual Funds - Bonds	95.74%
Cash/Deposit	4.26%

### Key Fund Facts

Fund Size (in bn IDR)	IDR 140.15
Risk Profile	Moderate
Launch Date	12 Jul 2010
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily

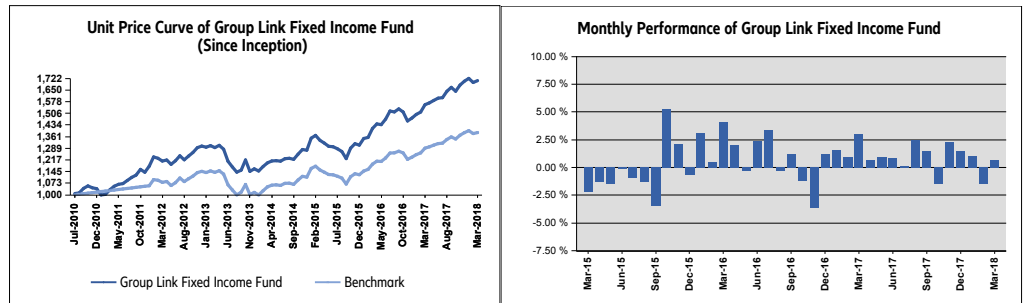
Price per Unit	
(As of Mar 29, 2018)	IDR 1,708.46

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Fixed Income Fund	0.67%	0.20%	2.49%	9.55%	27.62%	0.20%	70.85%
Benchmark*	0.44%	0.03%	1.99%	7.47%	20.06%	0.03%	38.67%

\*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)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Mar 2018 inflation at +0.20% mom (vs consensus inflation +0.12%, +0.17% in Feb 2018). On yearly basis, inflation was +2.67%yoy (vs consensus inflation +2.69%, +2.58% in Feb 2018). Core inflation was printed at +3.40%yoy (vs consensus inflation +3.35%, +3.18% in Feb 2018). Inflation mostly caused by higher several staple foods and adjustments in retail gasoline prices, namely Peralite (RON 90) and high speed diesel. In the Board of Governors' Meeting on 21&22 Mar 2018, 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 depreciated by +0.36% to 13,756/USD at end of Mar 2018 from 13,707/USD in previous month. Indonesia's foreign reserve assets stood at USD126.00 billion as of end-Mar 2018, lower than the end of Feb 2018 level at USD128.06 billion. The decline in the reserve assets in Mar 2018 was mainly due to the use of foreign exchange to repay government external debt and stabilize rupiah amidst increasing global financial market uncertainty.

IDR government bond yields closed lower across the curve in Mar 2018 except for 10yr yield that higher due to profit taking, on the back of buying action from offshore names. The yield movement was inline with 10yr UST yield movement (from 2.86% to 2.74%). Bank Indonesia was seen intervened in FX market as IDR broke 13,800. Offshore accounts increased their holding by IDR 10.57tn in Mar 2018 (+1.25% MoM), from IDR 848.22tn as of Feb 2018 to IDR858.79tn as of Mar 2018, which brought their holding to 39.31% of total outstanding tradable government bond (from 39.83% in the previous month). The 5Y yield Mar 2018 ended -10bps lower to 5.95% (6.05% in Feb 2018), 10Y tenor ended +5bps higher to 6.68% (6.63% in Feb 2018), 15Y tenor ended -22bps lower to 6.87% (7.09% in Feb 2018) and 20Y tenor ended -7bps lower to 7.31% (7.38% in Feb 2018).

### Disclaimer:

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