

Group Link Fixed Income Fund

February 2013



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 **6.37%**
 Best Month **4.91% Jan-12**
 Worst Month **-3.75% Jan-11**

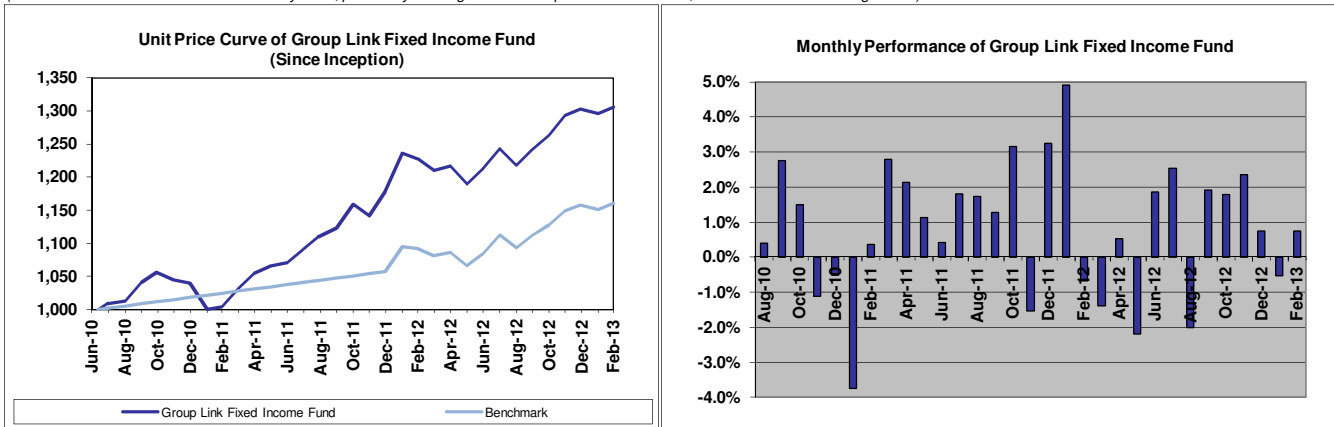
Portfolio Breakdown

Mutual Fund-Fixed Income **95.35%**
 Cash/Deposit **4.65%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception	Compound Annual Growth Rate
Group Link Fixed Income Fund	0.74%	0.96%	7.20%	6.37%	NA	0.20%	30.57%	11.60%
Benchmark*	0.87%	1.00%	6.20%	6.30%	NA	0.31%	16.09%	6.10%

*80% HSBC 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 48.23
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 Feb 28, 2013) **1,305.71**

MANAGER COMMENTARY

Indonesia February's Inflation increased, Feb CPI YoY 5.31% (consensus 4.81%) vs Jan 4.57%, Feb MoM 0.75% (consensus 0.31%) vs Jan 1.03% which was (1) electricity tariff hike, (2) tightening horticulture and meat policy and, (3) higher food prices due to distribution disturbance from previous flood. Feb Core inflation was lower due to low base effect, YoY 4.29% (consensus 4.35%) vs Jan 4.32%. BI maintained its reference rate unchanged at 5.75% on 12 Feb 2013's meeting. Indonesia Deposit Insurance Corporation keeps maximum guaranteed Rupiah Deposit rate at 5.5%. Rupiah appreciated against USD by 0.77% to 9669 at end of Feb from 9744 compared to previous month. Indonesia January trade balance was in deficit of -US\$0.17bn, as a result of a slowing pace of exports. Export decreased by -0.11% MoM to US\$ 15.38bn while imports decreased by -0.22% MoM to US\$ 15.55bn. 4Q 2012 Current Account Deficit (CAD) was higher at 3.6% of GDP (or USD 7.76bn, market expected USD7.388bn) from 3Q 2012 at 2.4% of GDP (USD 5.3bn).

IDR government bond yields closed with mixed result in February. Negative sentiment came from higher than expected inflation figure and 4Q12 current account deficit (CAD). However, buying interest from Bank Indonesia and offshore names kept supporting bond market. Global news affected market mood as well, i.e some policy makers in the US hinted possibility of ending the Fed's asset purchases programs by earlier than expected. In addition, the US sequester took effect as the no-deal in budget talks is expected to lead to spending cuts totaling USD85 billion, as the cuts will trim US growth and slow the improvement in the jobs market. MOF successfully issued the biggest sukuk retail issuance 3yr SR05 IDR14.968Tn on Feb 27 from total demand IDR20.87Tn (offering period Feb 8-22) at 6%. Offshore accounts increased their holding by IDR 8.43Tn in Feb 2013 (3.09% mom), from IDR 273.2Tn as of Jan 31, 2013 to IDR 281.63Tn as of Feb 28, 2013, which brought their holding to 32.89% of total outstanding tradable government bond (from 32.78% in the previous month). The 5Y yield Feb increased by 7bps to 4.84% (4.77% in Jan 2013), 10Y yield Feb increased by 2bps to 5.35% (5.33% in Jan 2013), 20Y yield Feb decreased by -2bps to 6.27% (6.29% in Jan 2013), and 29Y yield Feb decreased by -8bps to 6.40% (6.48% in Jan 2013).

Disclaimer:

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