

Group Link Fixed Income Fund

November 2014



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	11.81%
Best Month	5.52% Oct-13
Worst Month	-5.83% Jun-13

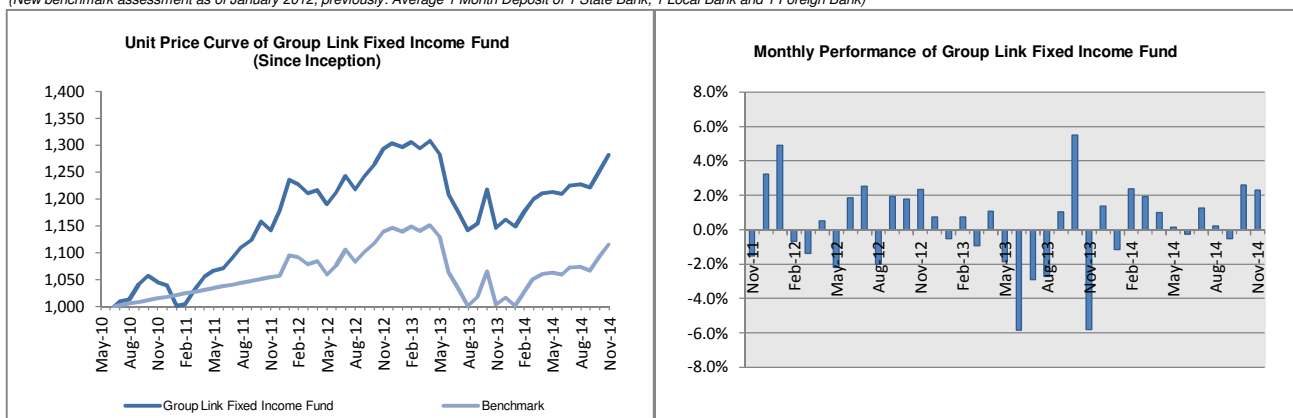
Portfolio Breakdown

Mutual Fund-Fixed Income	93.50%
Cash/Deposit	6.50%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Fixed Income Fund	2.32%	4.43%	5.70%	11.81%	12.34%	10.31%	28.18%
Benchmark*	2.07%	3.95%	4.95%	11.26%	5.85%	9.79%	11.56%

*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 61.62	Pricing Frequency	: Daily
Risk Profile	: Moderate Investor	Price per Unit	
Launch Date	: 12 July 2010	(As of Nov 28, 2014)	: IDR 1,281.83
Fund Currency	: Indonesian IDR		
Managed by	: PT. Asuransi Allianz Life Indonesia		

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in Nov at 1.5% mom (vs consensus 1.4%, inflation 0.47% in Oct). Fuel hike became the main reason of the Nov CPI increments, which also affects to some prices such as food ingredients and processed food. On yearly basis, inflation printed at 6.23% YoY (vs consensus 6.1%, 4.83% in Oct). Core inflation printed at 4.21% YoY (vs consensus 4.43%, 4.02% in Oct). In the Board of Governors' Meeting on Nov 18th, 2014, BI increased its reference rate at 7.75%, Lending Facility at 8.0%, and kept the deposit facility rate (FASB) at 5.75% in an attempt to tame expected inflation following the fuel-price hike. Rupiah depreciated against USD by -0.94% to 12,196 at end of Nov compared to previous month 12,082. Trade balance was surplus +0.02bn USD (non-oil and gas surplus +1.13bn, oil and gas deficit -1.11bn USD) in Oct (vs consensus surplus +0.1bn USD, deficit -0.27bn USD in Sept). Export decreased by -2.21% YoY mostly driven from export in crude oil, while imports decreased by -2.21% YoY. FX Reserves decreased -0.83bn USD from 111.97bn USD in Oct to 111.14bn USD in Nov.

IDR government bond yields curve closed lower across all tenor in November post fuel price hike announcement, which has been eagerly awaited by everyone. The fact that MoF has already fulfilled their bonds and sukuk issuance target for this year supported the market. The statement from Finance Minister regarding possibility of implement fixed subsidy scheme in fuel price had also boost up the market at the end of the month. Global news from China who unexpectedly cut rate last Friday and also dovish comments from ECB President Mario Draghi gave positive sentiment to the market. Jokowi announced IDR 2,000 hike in the fuel price, with Petrol up to IDR 8,500 and Diesel up to IDR 7,500. As respond to the policy, BI calling an extraordinary meeting to discuss the impact of the inflation from the fuel hike. BI unexpectedly raised its benchmark rate for the first time in 13 months by 25bps to 7.75%, in an attempt to tame expected inflation following the fuel-price hike. In addition, BI also raised its lending facility rate by 50bps to 8.00% however kept the deposit facility rate unchanged at 5.75%. Given this development now, BI expects 2014 year-end inflation of 7.7 - 8.1% and GDP growth of 5.1%, while 2015 year-end inflation will normalize to 3 - 5% and GDP growth of 5.4% - 5.8%. Offshore accounts increased their holding by IDR 21.34Tn in Nov 2014 (+4.64% MoM), from IDR 459.86Tn as of Oct 31, 2014 to IDR 481.20Tn as of Nov 28, 2014, which brought their holding to 39.41% of total outstanding tradable government bond (from 37.80% in the previous month). The 5Y yield Nov was lower by -24bps to 7.62% (7.86% in Oct 2014), 10Y tenor lower by -34bps to 7.70% (8.04% in Oct 2014), 15Y tenor lower by -40bps to 7.98% (8.38% in Oct 2014) and 20Y tenor lower by -36bps to 8.11% (8.47% in Oct 2014).

Disclaimer:

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