

# Savings Plan Fixed Income Fund

## November 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 funds).

### PERFORMANCE INDICATOR

#### Return Performance

Last 1-year Period	<b>11.23%</b>
Best Month	<b>5.71%</b> Oct-13
Worst Month	<b>-6.87%</b> Oct-08

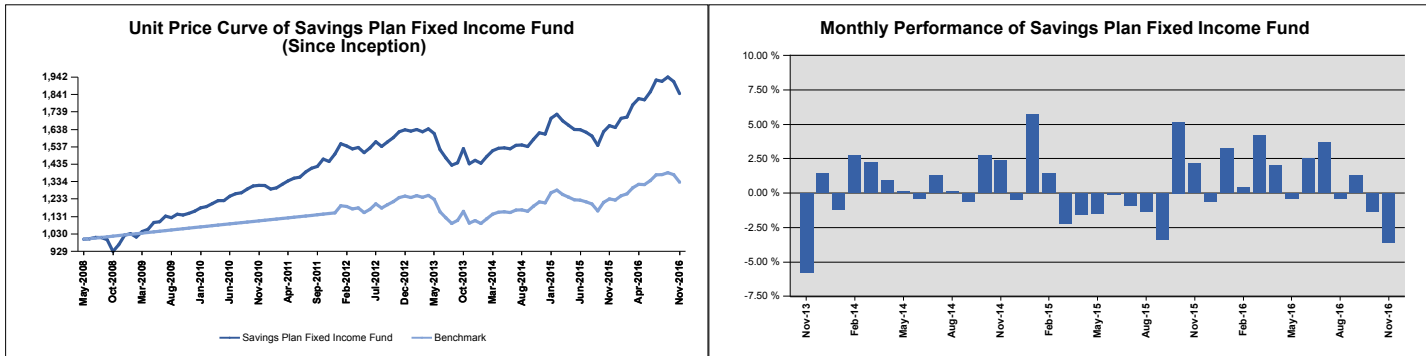
#### Portfolio Breakdown

Mutual Funds - Bonds	<b>88.77%</b>
Cash/Deposit	<b>11.23%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Savings Plan Fixed Income Fund	<b>-3.65%</b>	<b>-3.71%</b>	<b>2.00%</b>	<b>11.23%</b>	<b>28.36%</b>	<b>11.96%</b>	<b>84.57%</b>
Benchmark*	<b>-3.14%</b>	<b>-3.17%</b>	<b>1.10%</b>	<b>7.92%</b>	<b>21.79%</b>	<b>8.49%</b>	<b>33.14%</b>

\*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 Citi; before Jan 2012: Average 1 Month Deposit of BNI, BCA and Citi)



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 170.47	<b>Pricing Frequency</b>	: Daily
<b>Risk Profile</b>	: Moderate	<b>Price per Unit</b>	
<b>Launch Date</b>	: 31 May 2008	<b>(As of Nov 30, 2016)</b>	: IDR 1,845.68
<b>Fund Currency</b>	: Indonesian Rupiah		
<b>Managed by</b>	: PT Asuransi Allianz Life Indonesia		

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Nov's inflation at 0.47% mom (vs consensus inflation +0.32%, +0.14% in Oct 2016) mostly was caused by higher food ingredients, process food, beverages, cigarette and tobacco. On yearly basis, inflation higher to 3.58% YoY (vs consensus 3.41%, 3.31% in Oct 2016). Core inflation printed at 3.07% YoY, lower than previous month (vs 3.08% in Oct 2016). In the Board of Governors' Meeting on 17 Nov 2016, Bank Indonesia maintained the 7-day reverse repo rate at 4.75%, also Deposit Facility (DF) at 4.00% and Lending Facility (LF) at 5.50%. Rupiah depreciated by -3.92% to 13,563/USD at end of Nov as opposed to 13,051/USD previous month. Trade balance booked a surplus of +US\$1.2068bn (non-oil and gas surplus +US\$1.71bn, oil and gas deficit US\$-0.5032bn) in Oct 2016. Export rose by +4.60% YoY mostly driven by natural oil exports, while imports rose by +3.27% YoY. FX Reserves down by USD 3.571bn from US\$115.037bn in Oct 2016 to US\$111.466bn in Nov 2016 on the back of government external debt payments and currency stability as fundamental.

IDR government bond yields closed higher all across the curve on the back of global risk-off sentiment, especially from US election result – the win of Donald Trump – which led a global market uncertainty. News of OPEC's deal to decrease production volume also gave sentiment to the market. BI and MoF tried to support the market by held reverse and buyback auction. BI and MoF tried to support the market by held reverse and buyback auction on Nov 11, with 5.65tn total absorbed: 2.455tn FR59 at 7.70%; 758bn FR73 at 8.13; and 1.9335tn FR72 at 8.24%.. BI held another reverse auction on Nov 24, from 3.99tn incoming offers. BI only bought 1.08tn (8.5bn FR61 at 8.15% and 90bn FR72 at 8.43; cancel the FR59). Offshore accounts decreased their holding by IDR -19.58tn in Nov 2016 (-2.9% MoM), from IDR 675.64tn as of Oct 2016 to IDR 656.06tn as of Nov 2016, which brought their holding to 37.05% of total outstanding tradable government bond (from 38.40% in the previous month). The 5Y yield Nov 2016 ended +102bps higher to 7.99% (6.97% in Oct 2016), 10Y tenor ended +90bps higher to 8.14% (7.24% in Oct 2016), 15Y tenor ended +60bps higher to 8.25% (7.65% in Oct 2016) and 20Y tenor ended +45bps higher to 8.24% (7.79% in Oct 2016).

#### Disclaimer:

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