

# Savings Plan Fixed Income Fund

## April 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 funds).

### PERFORMANCE INDICATOR

#### Return Performance

|                    |                      |
|--------------------|----------------------|
| Last 1-year Period | <b>9.09%</b>         |
| Best Month         | <b>5.71%</b> Oct-13  |
| Worst Month        | <b>-6.87%</b> Oct-08 |

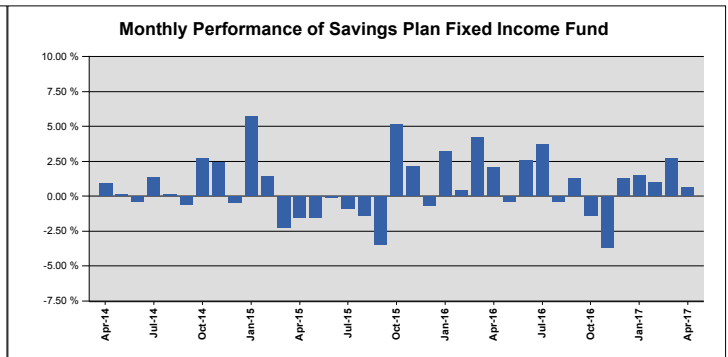
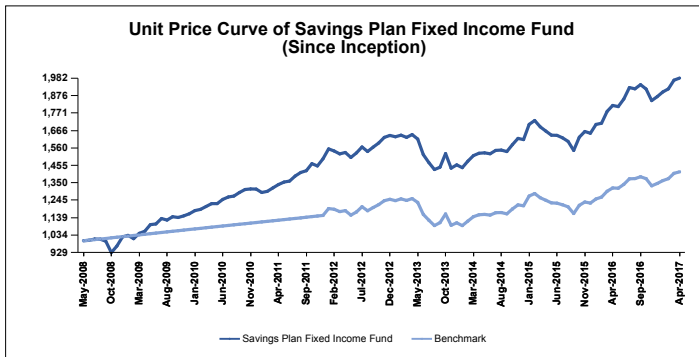
#### Portfolio Breakdown

|                      |               |
|----------------------|---------------|
| Mutual Funds - Bonds | <b>86.77%</b> |
| Cash/Deposit         | <b>13.23%</b> |

|                                | 1 Month      | 3 Months     | 6 Months     | 1 Year       | 3 Years       | YTD          | Since Inception |
|--------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|-----------------|
| Savings Plan Fixed Income Fund | <b>0.64%</b> | <b>4.41%</b> | <b>3.45%</b> | <b>9.09%</b> | <b>29.69%</b> | <b>5.98%</b> | <b>98.16%</b>   |
| Benchmark*                     | <b>0.63%</b> | <b>3.87%</b> | <b>2.99%</b> | <b>7.36%</b> | <b>22.39%</b> | <b>5.21%</b> | <b>41.56%</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 206.82                         | <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 Apr 28, 2017)</b> | : IDR 1,981.59 |
| <b>Fund Currency</b>         | : Indonesian Rupiah                  |                             |                |
| <b>Managed by</b>            | : PT Asuransi Allianz Life Indonesia |                             |                |

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced April 2017 inflation at +0.09% mom (vs consensus +0.05%, -0.02% in Mar 2017), mostly was caused by higher administrated price (caused by higher electricity tariff as the second phase tariff adjustment for post-paid customers of non-subsidized 900 VA). On yearly basis, inflation was higher to +4.17% YoY (vs consensus +4.10%, +3.61% in Mar 2017). Core inflation was printed at +3.28% YoY (vs consensus +3.32%, +3.30% in Mar 2017). In the Board of Governors' Meeting on 18-20 Apr 2017, Bank Indonesia maintained the BI 7-day (Reverse) Repo Rate (BI-7 day RR Rate) at 4.75%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.00% and 5.50% respectively. Rupiah depreciated by -0.05% to 13,327/USD at end of Apr 2017 from 13,321/USD in previous month. Trade balance booked a surplus of +US\$1.23bn (vs consensus US\$1.298bn) in Mar 2017, from +US\$1.32bn in Feb 2017. Export rose by +23.55%yoy, while imports rose by +18.19% YoY. Indonesia's foreign reserves increased \$1.4bn to \$123.25bn in Apr 2017 from \$121.81bn in Mar 2017. The increase was primarily due to foreign exchange receipts, especially from tax revenues and government oil & gas export proceeds, as well as auction of Bank Indonesia foreign exchange bills. Indonesia 1Q GDP expanded 5.01% yoy, vs consensus 5.10% yoy, and from 4.94% yoy in Q4 2016. From production segment, higher growth reached by information and communication sector at 9.10%. From expense segment, higher growth reached by export sector that grew 8.04%.

IDR government bond yields closed mixed across the curve in April 2017 with lower yield in short tenor and slightly higher yield in middle to long tenor. Offshore inflows came with persistent demand especially in short tenors which supported the market while few onshore players shortened duration. Positive sentiment came from Rating and Investment Information Inc. that raises outlook on Indonesia's sovereign credit rating from stable to positive, however people also concern on global political climate and rising geopolitical tensions. Offshore accounts increased their holding by IDR +22.6tn in Apr 2017 (+3.12% MoM), from IDR 723.22tn as of Mar 2017 to IDR 745.82tn as of Apr 2017, which brought their holding to 39.10% of total outstanding tradable government bond (from 38.24% in the previous month). The 5Y yield Apr 2017 ended -16bps lower to 6.69% (6.85% in Mar 2017), 10Y tenor ended -1bps higher to 7.05% (7.04% in Mar 2017), 15Y tenor ended 2bps higher to 7.45% (7.43% in Mar 2017) and 20Y tenor ended 4bps higher to 7.72% (7.68% in Mar 2017).