

Group Link Fixed Income Fund

June 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	0.09%
Best Month	5.52% Oct-13
Worst Month	-5.83% Jun-13

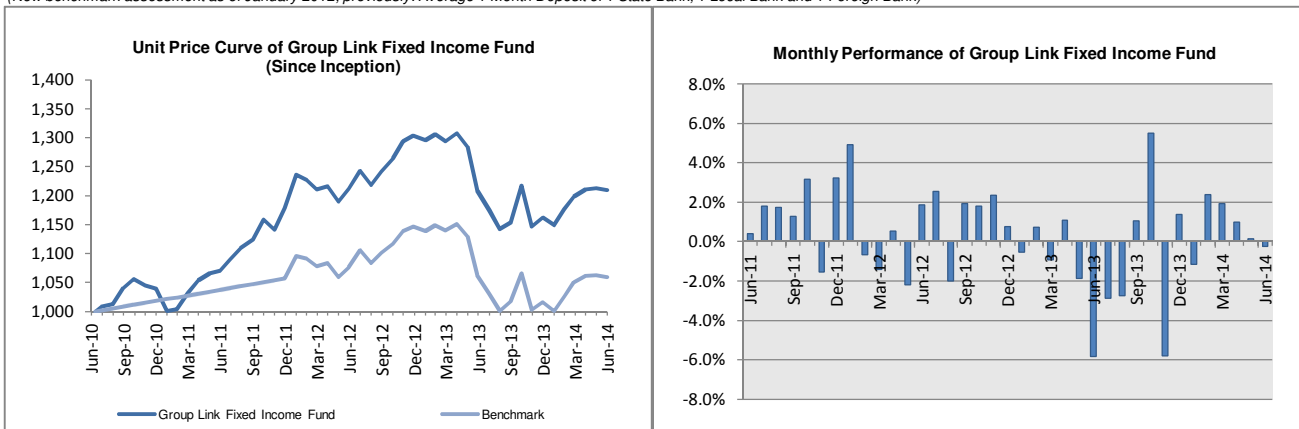
Portfolio Breakdown

Mutual Fund-Fixed Income	89.82%
Cash/Deposit	10.18%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Fixed Income Fund	-0.25%	0.89%	4.09%	0.09%	12.98%	4.09%	20.96%
Benchmark*	-0.36%	0.83%	4.23%	-0.37%	2.10%	4.23%	5.91%

*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 61.92	Pricing Frequency	: Daily
Risk Profile	: Moderate Investor	Price per Unit	
Launch Date	: 12 July 2010	(As of June 30, 2014)	: IDR 1,209.61
Fund Currency	: Indonesian IDR		
Managed by	: PT. Asuransi Allianz Life Indonesia		

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in June at 0.43% mom (vs consensus 0.47%, inflation 0.16% in May) caused by higher food ingredients, processed food, beverages, and tobacco prices while direct impact of May's electricity tariff hike was limited as it only involved high-end household customers. However, starting July, the impact may increase as mid-size households will also see tariff hikes averaging 9% every two months. On yearly basis, inflation printed at 6.70% yoy (vs consensus 6.79%, 7.32% in May). Core inflation rose to 4.81% yoy (vs consensus 4.80%, 4.66% in May). In the Board of Governors' Meeting on Jun 12th, 2014, BI maintained its reference rate at 7.5%, Lending Facility at 7.5%, and the deposit facility rate (FASB) at 5.75%. Rupiah depreciated against USD by -3.08% to 11,969 at end of June compared to previous month 11,611. Trade balance was surplus +70mn USD (non-oil and gas surplus 1.4mn, oil and gas deficit -1.33mn USD) in May (vs consensus deficit -100mn USD, deficit -1.962bn USD in Apr). Export decreased by -8.11% YoY mostly driven from vehicles and parts. While imports decreased by -11.43% YoY.

IDR government bond yield curve closed higher across all tenor in June on the back of: 1. higher oil prices due to ongoing conflict in Iraq, 2. Rupiah depreciation, 3. Political uncertainty (due to increasing tight competition between Jokowi and Prabowo), 4. Concerns over 2014's revised budget (the possibility for the additional IDR60-70Tn financing for this year). Offshore accounts increased their holding by IDR 6.43Tn in June 2014 (+1.62% mom), from IDR 397.16Tn as of May 30, 2014 to IDR 403.59Tn as of Jun 30, 2014, which brought their holding to 35.66% of total outstanding tradable government bond (from 35.72% in the previous month). The 5Y yield June was higher by +16bps to 7.83% (7.67% in May 2014), 10Y tenor higher by +16bps to 8.22% (8.06% in May 2014), 15Y tenor higher by +12bps to 8.66% (8.54% in Mei 2014) and 20Y tenor higher by +29bps to 8.91% (8.62% in May 2014).

Disclaimer:

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