

Savings Plan Fixed Income Fund

August 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 funds).

PERFORMANCE INDICATOR

Return Performance

Last 1-year period	-7.07%
Best Month	5.67% Dec-08
Worst Month	-6.87% Oct-08

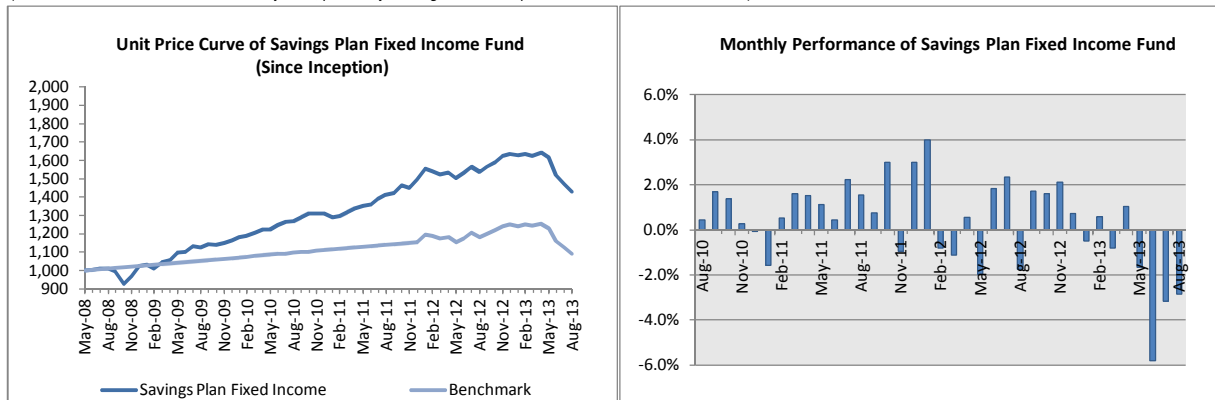
Portfolio Breakdown

Government Bonds	79.59%
Corporate Bonds	9.79%
Cash/Deposit	10.62%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Savings Plan Fixed Income Fund	-2.84%	-11.40%	-12.66%	-7.07%	12.61%	-12.58%	42.97%
Benchmark*	-2.88%	-11.35%	-12.88%	-7.57%	-0.42%	-12.69%	9.18%

*80% HSBC Bond Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank

(New benchmark assessment as of January 2012; previously: Average 1 Month Deposit of Bank BNI, BCA and Citibank)



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 154.28	Pricing Frequency	: Daily
Risk Profile	: Moderate Investor	Price per Unit	
Launch Date	: 31 May 2008	(As of Aug 30, 2013)	: IDR 1,429.70
Fund Currency	: Indonesian IDR		
Managed by	: PT. Asuransi Allianz Life Indonesia		

MANAGER COMMENTARY

Inflation in August was lower than market expectation, printed at 1.12% mom (vs consensus 1.20%, 3.29% in July). However in yearly basis, it was higher compared to previous month at 8.79% yoy (vs consensus 8.95%, 8.61% in July) which was driven by staple food price due to the Eid Mubarak holiday, and educational cost caused by start of new school term. Core inflation rose 4.48% yoy (vs consensus 4.43%, 4.44% in July). In the Board of Governors' Meeting on Aug 29th, 2013, Bank Indonesia increased its reference rate by 50 bps to 7.00%, Lending Facility by 25 bps to 7% and the deposit facility rate (FASBI) by 50bps to 5.25%. Rupiah depreciated against USD by -6.29% to 10,924 at end of August compared to previous month 10,278. Indonesia's July trade balance posted higher deficit at USD -2.31bn (vs consensus USD -0.4bn) compared to deficit at USD -0.847bn in June 2013. Export increased by 2.37% MoM while imports sharply increased by 11.4% MoM. Government announced policy package to address widening current account deficit, rising inflation and slowing growth. There are 4 packages: 1. to address current account deficit, 2. to maintaining economic growth, 3. to maintain consumer's purchasing power and lower inflation 4. to speed up investment. Bank Indonesia also announced some action plan: 1. Extend the allowed maturity of forex term deposits from max 30 days to maximum of 1 year, 2. Allow exporters to purchase foreign currency onshore in the amounts that they have previously converted into IDR, 3. Allow banks to "pass on" derivative positions held with third parties to BI, 4. Fund from the sale of assets by non-residents may now be kept in Indonesia and these deposits will be exempted from bank's foreign liability limit, 5. BI to issued deposit certificate of Bank Indonesia (SDBI).

IDR gov bond yields closed higher all across the curve in August on the back of few factors: 1. Concerns over Fed tapering QE, 2. Lower Indonesia's foreign reserves, 3. Higher Indonesia's inflation level due to Eid Mubarak price hike and educational cost on school new term, 4. Lower Indonesia's 2nd Qtr 2013 GDP, and 5. Wider Indonesia's trade balance and current account deficit. No significant movement in the market post stimulus packages from government of Indonesia and Bank Indonesia. Bond prices rallied after Bank Indonesia rose the reference rate by 50bps in August 29, 2013. Offshore accounts decreased their holding by IDR 1.76Tn in August 2013 (-0.62% mom), from IDR 285.77Tn as of July 31, 2013 to IDR 284.01Tn as of August 30, 2013, which brought their holding to 30.64% of total outstanding tradable government bond (from 31.33% in the previous month). The 5Y yield August increased by 63bps to 8.04% (7.41% in July 2013), 10Y yield August increased by 58bps to 8.42% (7.84% in July 2013), 20Y yield August increased by 54bps to 8.87% (8.33% in July 2013), and 29Y yield August increased by 69bps to 9.33% (8.64% in July 2013).

Disclaimer:

Savings Plan Fixed Income is an investment product offered by PT Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the Fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.