

Group Link Fixed Income Fund

July 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 fund).

PERFORMANCE INDICATOR

Return Performance

Last 1-year period	-5.58%
Best Month	4.91% Jan-12
Worst Month	-5.83% Jun-13

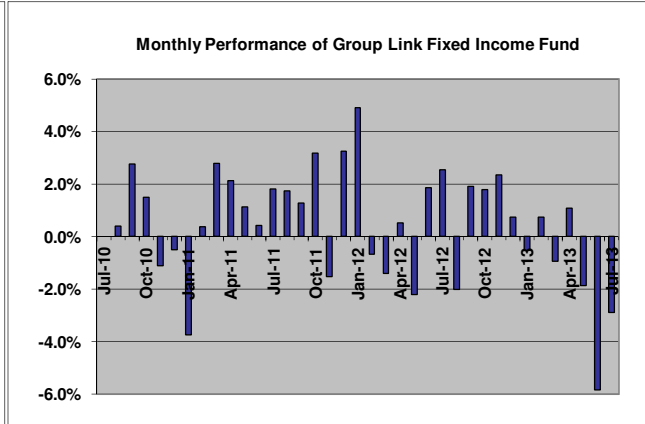
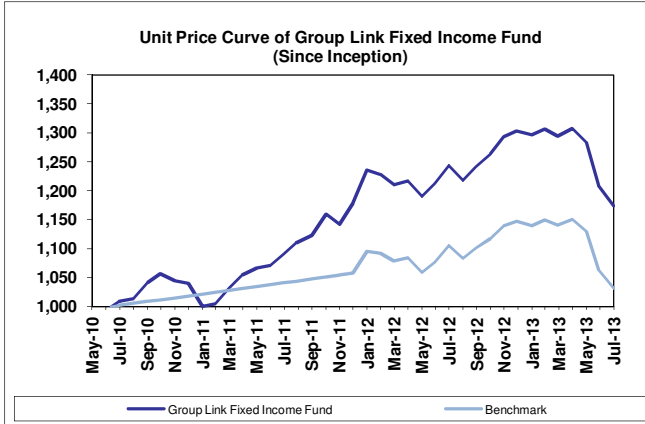
Portfolio Breakdown

Mutual Fund-Fixed Income	89.75%
Cash/Deposit	10.25%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Group Link Fixed Income Fund	-2.89%	-10.25%	-9.45%	-5.58%	16.34%	-9.93%	17.36%
Benchmark*	-3.03%	-10.40%	-9.51%	-6.74%	2.88%	-10.10%	3.08%

*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 43.17	Pricing Frequency	: Daily
Risk Profile	: Moderate Investor	Price per Unit	
Launch Date	: 12 July 2010	(As of July 31, 2013)	: IDR 1,173.64
Fund Currency	: Indonesian IDR		
Managed by	: PT. Asuransi Allianz Life Indonesia		

MANAGER COMMENTARY

Head Inflation rose to 8.61% yoy, 3.29% mom in July (vs consensus 8.04% yoy, 2.79% mom) from 5.9% yoy, 1.03% mom in June, driven by fuel price hikes and seasonal price increases due to the upcoming Eid Mubarak holiday. The core inflation also rose to 4.44% yoy (vs consensus 4.56%) from 3.98% YoY in June. In the Board of Governors' Meeting on July 11th, 2013, Bank Indonesia increased its reference rate by 50 bps to 6.50% and the deposit facility rate (FASBI) by 50bps to 4.75%. Rupiah depreciated against USD (BI middle exchange rate) by -3.51% to 10,278 at end of July compared to previous month 9,929. Indonesia's 2Q 2013 GDP expanded to 5.81% yoy vs prior quarter at 6.03%, median estimate was 5.9%. Indonesia's June trade balance posted higher deficit at USD -0.85bn compared to deficit at USD -0.59bn in May 2013. Export decreased by -8.63% MoM while imports lowered by -6.44% MoM.

IDR gov't bond yields closed higher all across the curve in July on the back of offshore selling which triggered by few factors: 1. Lower foreign reserve in June, 2. Hikes in US Treasury 10yr yield, 3. Higher inflation level due to fuel prices hike and upcoming Eid Mubarak price hike, 4. Lower GDP growth, and 5. Wider trade balance deficit. Positive sentiments came from buying support by Bank Indonesia and Fed statement that US economy starts to recover but still need support, which showed no indication on plan to reduce bond-buying stimulus for next meeting in Sept 2013. Offshore accounts increased their holding by IDR 2.81Tn in July 2013 (0.99% mom), from IDR 282.96Tn as of June 28, 2013 to IDR 285.77Tn as of July 31, 2013, which brought their holding to 31.33% of total outstanding tradable government bond (from 31.85% in the previous month). The 5Y yield July increased by 100bps to 7.41% (6.41% in June 2013), 10Y yield July increased by 71bps to 7.84% (7.13% in June 2013), 20Y yield July increased by 54bps to 8.33% (7.79% in June 2013), and 29Y yield July increased by 72bps to 8.64% (7.92% in June 2013).

Disclaimer:

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