

Savings Plan Fixed Income Fund

June 2015



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	7.29%
Best Month	5.71% Oct-13
Worst Month	-6.87% Oct-08

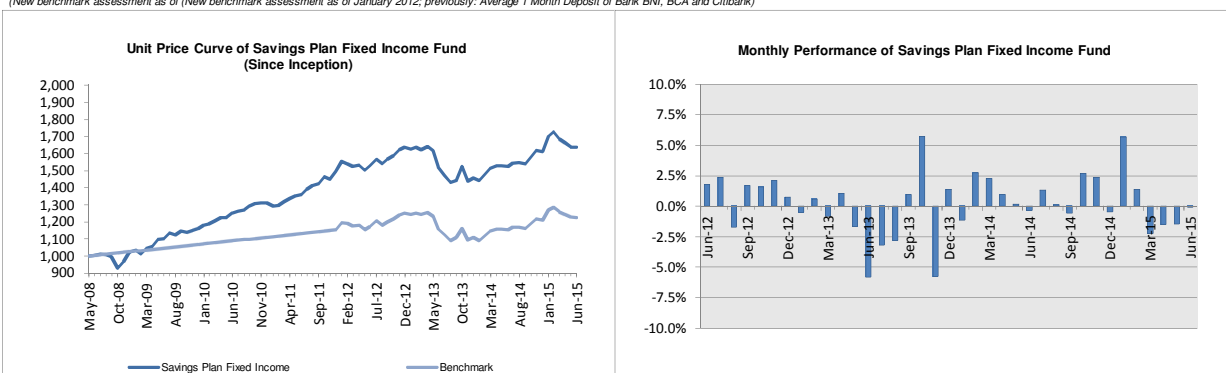
Portfolio Breakdown

Mutual Fund Fixed Income	90.33%
Cash/Deposit	9.67%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Savings Plan Fixed Income Fund	-0.07%	-3.04%	1.59%	7.29%	6.93%	1.59%	63.59%
Benchmark*	-0.16%	-2.59%	1.29%	6.23%	4.54%	1.29%	22.66%

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

(New benchmark assessment as of (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 209.92	Pricing Frequency	: Daily
Risk Profile	: Moderate Investor	Price per Unit	
Launch Date	: 31 May 2008	(As of June 30, 2015)	: IDR 1,635.93
Fund Currency	: Indonesian IDR		
Managed by	: PT. Asuransi Allianz Life Indonesia		

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced June's inflation at 0.54% mom (vs consensus 0.65%, inflation 0.50% in May 2015) which mostly were caused by higher food ingredients, processed food, beverages and tobacco prices during the fasting month. On yearly basis, inflation printed at 7.26% YoY (vs consensus 7.4%, 7.15% in May 2015). Core inflation printed at 5.04% YoY, unchanged from previous month (vs consensus 5.07%, 5.04% in May 2015). In the Board of Governors' Meeting on Jun 18th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%. Rupiah depreciated against USD by -0.92% to 13,332 at the end of Jun compared to previous month 13,211. Trade balance was surplus +0.95bn USD (non-oil and gas surplus 1.66bn USD, oil and gas deficit 0.71mn USD) in May 2015. Export decreased by -15.24% YoY mostly driven from export in natural oil, while imports decreased -21.40% YoY. FX Reserves decreased -2.74bn USD from 110.77bn USD in May 2015 to 108.03bn USD in June 2015 on the back of Government foreign debt payments and the use of foreign exchange to stabilize the IDR exchange rate. May's FX reserves level is sufficient to cover 7.0x imports or 6.8x imports and debt.

IDR government bond yields closed higher across all tenor in Jun 2015 on the back of global sell-off due to further slowing economic growth and uncertainty on Greece's debt issue. The impact of Indonesia's higher inflation data also gave negative sentiment to the market. While positive sentiment came from huge demand in several auction which made MOF upsize from their initial target and also BI's buyback – even though they cancel the first week buy back. MoF as of June achieved around 65.05% of their gross target financing for 2015 or IDR 294tn issued. Going forward, there will be 10 conventional and 9 sukuk auction until end of year. If DMO issues IDR 2bn of the Eurobond (expecting very soon) and the upcoming ORI-12 (target on Sept) of IDR 20tn, MOF will need to issue only around IDR 9tn average per auction on the conventional. After BI canceled reverse auction on the first week, BI finally held another auction on the week after, June 8. With indicative target of IDR 1tn, only IDR 475bn awarded from IDR 5.176tn incoming offer (IDR 200bn FR69 4yr average at 8.405%, IDR 125bn FR70 9yr at 8.6428%, and IDR 150bn FR71 14yr at 8.86%). Offshore accounts increased their holding by IDR 23.04tn in Jun 2015 (+4.48% MoM), from IDR 514.49tn as of May 29, 2015 to IDR 537.53tn as of Jun 30, 2015, which brought their holding to 39.63% of total outstanding tradable government bond (from 38.39% in the previous month). The 5Y yield Jun was higher by +23bps to 8.29% (8.06% in May 2015), 10Y tenor higher by +18bps to 8.35% (8.17% in May 2015), 15Y tenor higher by +10bps to 8.48% (8.38% in May 2015) and 20Y tenor higher by +11bps to 8.49% (8.38% in May 2015).

Disclaimer:

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