

Savings Plan Fixed Income Fund

March 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	11.46%
Best Month	5.71% Oct-13
Worst Month	-6.87% Oct-08

Portfolio Breakdown

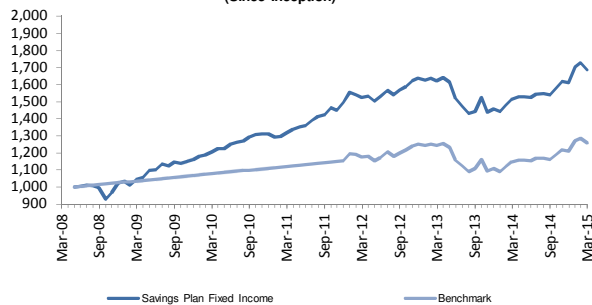
Mutual Fund Fixed Income	94.29%
Cash/Deposit	5.71%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Savings Plan Fixed Income Fund	-2.23%	4.77%	9.68%	11.46%	10.70%	4.77%	68.71%
Benchmark*	-1.98%	3.99%	8.35%	9.97%	7.10%	3.99%	25.93%

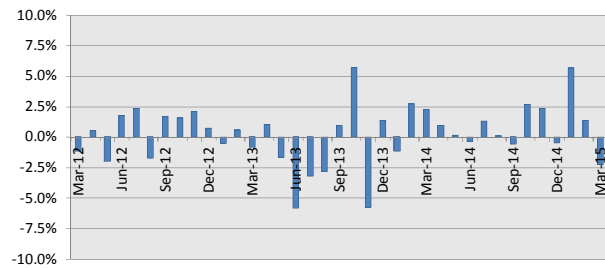
*80% HSBC Indonesian Local Bond Inc*80% HSBC Indonesian Local Bond Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank

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

Unit Price Curve of Savings Plan Fixed Income Fund (Since Inception)



Monthly Performance of Savings Plan Fixed Income Fund



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 233.63	Pricing Frequency	: Daily
Risk Profile	: Moderate Investor	Price per Unit	
Launch Date	: 31 May 2008	(As of Mar 31, 2015)	: IDR 1,687.14
Fund Currency	: Indonesian IDR		
Managed by	: PT. Asuransi Allianz Life Indonesia		

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in Mar 2015 at 0.17% mom (vs consensus 0.22%, inflation -0.36% in Feb 2015) which was caused by higher processed food, beverages, cigarettes and tobacco prices. On yearly basis, inflation printed at 6.38% YoY (vs consensus 6.39%, 6.29% in Feb 2015). Core inflation printed at 5.04% YoY, higher than previous month (vs consensus 4.95%, 4.96% in Feb 2015). In the Board of Governors' Meeting on Mar 17th, 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 -1.72% to 13,084 at end of Mar compared to previous month 12,863. Trade balance was surplus +0.74bn USD (non-oil and gas surplus 0.17bn, oil and gas surplus 0.57bn USD) in Feb 2015 (vs consensus surplus 0.64bn USD, surplus 0.74bn USD in Jan 2015). Export decreased by -16.02% YoY mostly driven from export in jewelry, while imports decreased -16.24% YoY. FX Reserves decreased -3.973bn USD from 115.527bn USD in Feb 2015 to 111.554bn USD in Mar 2015.

IDR government bond yields curve closed lower across all tenor in Mar 2015 as foreign accounts sell off their inventories as their hedging cost was getting more expensive due to appreciation of USD against IDR and other currencies in the region. The uncertainty of currency rate has made the market fluctuated. Positive sentiment came from MOF's decision to cancel the debt switch. MOF canceled debt switch on March 12 which will help to support market as no additional supply into the long end bonds. President Jokowi announced policy to address CAD that has been impacting weakening IDR. Some of the policies include: Anti-dumping tax on import products, Tax incentive for Indonesian companies that meet 30% export quota, Tax incentive for local shipping companies, Increase of biodiesel component in fuel, Tax incentive for foreign company on dividend reinvested in Indonesia, Formulate tax payment for foreign shipping companies, Forming reinsurance company under state own entity, To enforce the use of IDR in Indonesia. Offshore accounts decreased their holding by IDR 3.39Tn in Mar 2015 (-0.67% MoM), from IDR 507.47Tn as of Feb 27, 2015 to IDR 504.08Tn as of Mar 31, 2015, which brought their holding to 36.61% of total outstanding tradable government bond (from 40.02% in the previous month). The 5Y yield Mar was higher by +46bps to 7.32% (6.86% in Feb 2015), 10Y tenor higher by 39bps to 7.45% (7.06% in Feb 2015), 15Y tenor higher by 43bps to 7.71% (7.28% in Feb 2015) and 20Y tenor higher by 46bps to 7.77% (7.31% in Jan 2015).

Disclaimer:

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