

Savings Plan Fixed Income Fund

June 2017



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 **8.72%**
Best Month **5.71%** Oct-13
Worst Month **-6.87%** Oct-08

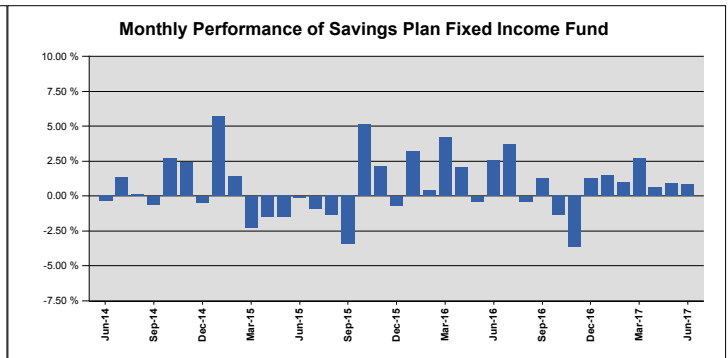
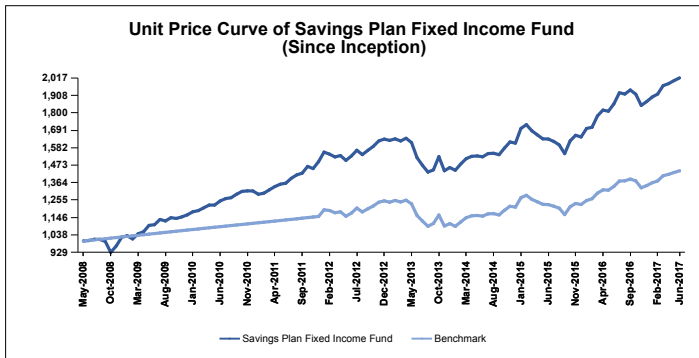
Portfolio Breakdown

Mutual Funds - Bonds **84.14%**
Cash/Deposit **15.86%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Savings Plan Fixed Income Fund	0.84%	2.46%	7.89%	8.72%	32.30%	7.89%	101.73%
Benchmark*	0.72%	2.18%	6.83%	7.25%	24.48%	6.83%	43.74%

*80% Bloomberg Indonesia Local Sovereign Bond (BINDO) Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank

(Benchmark assessment; before Mar 2016: 80% HSBC Indonesia Local Bond Index & 20% Average Time Deposit (1 month) from BNI, BCA and Cit; before Jan 2012: Average 1 Month Deposit of BNI, BCA and Cit)



KEY FUND FACTS

Fund Size (in bn IDR) : IDR 222.34
Risk Profile : Moderate
Launch Date : 31 May 2008
Fund Currency : Indonesian Rupiah
Managed by : PT Asuransi Allianz Life Indonesia

Pricing Frequency : Daily
Price per Unit (As of Jun 22, 2017) : IDR 2,017.34

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Jun 2017 inflation at 0.69% mom (vs consensus 0.60%, 0.39% in May 2017). On yearly basis, inflation was slightly higher to +4.37%yoy (vs consensus 4.29%, 4.33% in May 2017). Core inflation was printed at +3.13% yoy (vs 3.20% in May 2017). Higher inflation was due to seasonally higher food prices during the Ramadan period. In the Board of Governors' Meeting on 14-15 Jun 2017, Bank Indonesia maintained the BI 7-day (Reverse) Repo Rate (BI-7 day RR Rate) at 4.75%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.00% and 5.50% respectively. Rupiah appreciated by +0.02% to 13,319/USD at end of Jun 2017 from 13,321/USD in previous month. Trade balance booked a surplus of USD 0.47bn (non-oil and gas surplus USD 1.03bn, oil and gas deficit USD 0.56bn) in May 2017. Export rose by +12.63% YoY mostly driven by engine and mechanical equipment, while imports rose by +24.03% YoY.

IDR government bond yields closed lower across the curve in June 2017 with activities spread between onshore and offshore names. Despite of some profit taking action before the ECB meeting, UK election and ex-FBI chief testimony on President Trump, market started quiet good with support mostly came from onshore players; while offshore buying supports came in the second week. The FOMC announcement of +25bps rate hike while BI kept its 7-day reverse repo rate unchanged – which as market expected – gave positive sentiment to the market. It was actually half month activities; the market turned quiet in the third week and stayed unchanged until end of the month as everyone were recalculating their risk ahead of Ramadan long holiday. The government of Indonesia announced 15th economic policy package on Jun 15, addressed four main aspects: (1) enhancing the role of transportation insurance; (2) reducing costs for logistic service providers; (3) strengthening the Indonesia National Single Window (INSW) authority; and (4) reducing the number of prohibited and restricted goods. Offshore accounts increased their holding by IDR +14.4tn in Jun 2017 (+1.9% MoM), from IDR 756.15tn as of May 2017 to IDR 770.55tn as of Jun 2017, which brought their holding to 39.47% of total outstanding tradable government bond (from 39.15% in the previous month). The 5Y yield Jun 2017 ended -4bps lower to 6.67% (6.71% in May 2017), 10Y tenor ended -13bps lower to 6.82% (6.95% in May 2017), 15Y tenor ended -3bps lower to 7.37% (7.40% in May 2017) and 20Y tenor ended -7bps lower to 7.55% (7.62% in May 2017).