

Savings Plan Fixed Income Fund

September 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	8.47%
Best Month	5.71% Oct-13
Worst Month	-6.87% Oct-08

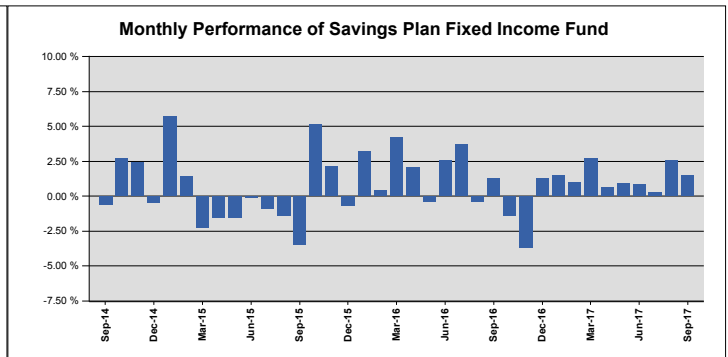
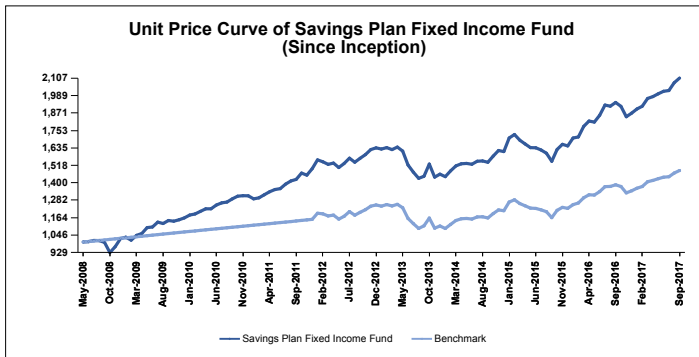
Portfolio Breakdown

Mutual Funds - Bonds	99.20%
Cash/Deposit	0.80%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Savings Plan Fixed Income Fund	1.50%	4.42%	6.99%	8.47%	36.95%	12.66%	110.65%
Benchmark*	1.17%	3.13%	5.38%	6.96%	27.55%	10.18%	48.24%

*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 Citi; before Jan 2012: Average 1 Month Deposit of BNI, BCA and Citi)



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 234.30
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 Sep 29, 2017)	: IDR 2,106.50

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Sep 2017 inflation at +0.13% mom (vs consensus inflation +0.08%, deflation -0.07% in Aug 2017). On yearly basis, inflation was slightly lower to +3.72%yoy (vs consensus inflation 3.70%, +3.82% in Aug 2017). Core inflation was printed at +3.00% yoy (vs +2.98% in Aug 2017). Inflation was mainly caused by higher processed food, beverage, cigarette and tobacco prices. In the Board of Governors' Meeting on 22 Sep 2017, Bank Indonesia cut its 7-day Reverse Repo Rate by 25bps from 4.50% to 4.25%, also Deposit Facility (DF) from 3.75% to 3.50% and Lending Facility (LF) from 5.25% to 5.00%. Rupiah depreciated by -1.06% to 13,492/USD at end of Sep 2017 from 13,351/USD in previous month. Trade balance booked surplus of USD 1.72bn (non-oil and gas surplus USD 2.4bn, oil and gas deficit USD 0.68bn) in Aug 2017. Export rose by +19.24% YoY mostly driven by jewelry, while imports rose by +8.89% YoY.

IDR government bond yields closed lower across the curve in Sep 2017 on the back of offshore inflows as reflected also in massive incoming bids on Sept bond and sukuk auctions; in fact it was the second highest of the year for the bond auction and the highest for the sukuk auction. Positive sentiment came from the unexpected BI rate cut by another 25bps on September as well as the expectation of Indonesia's rating upgrade from Moody's by this year. Market turned weaker on the last week due to global risk-off on Trump-North Korea news and Trump's tax reform. Currency weakened ahead of month end and Q3 end for corporate hedging demands. However, local players still showed some strong supports and managed to minimize the loss. MoF held debt switch on Sep 28 and resulted in IDR2tn incoming offers for 20yr FR45 swapped to IDR1.14tn 15yr FR74 at price 105.42 (6.91%) and IDR860bn 21yr FR75 at price 103.51 (7.17%). Offshore accounts increased their holding by IDR +34.22tn in Sep 2017 (+4.36% MoM), from IDR 785.14tn as of Aug 2017 to IDR 819.37tn as of Sep 2017, which brought their holding to 40.03% of total outstanding tradable government bond (from 39.01% in the previous month). The 5Y yield Sep 2017 ended -15bps lower to 6.13% (6.28% in Aug 2017), 10Y tenor ended -19bps lower to 6.51% (6.70% in Aug 2017), 15Y tenor ended -14bps lower to 7.00% (7.14% in Aug 2017) and 20Y tenor ended -6bps lower to 7.22% (7.28% in Aug 2017).

Disclaimer:

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