

Savings Plan Money Market Fund

September 2015



INVESTMENT OBJECTIVE

The Objective of the fund is to preserve value and maintain a high degree of liquidity.

INVESTMENT STRATEGY

The Fund seeks to attain its objectives by investing in short term high quality interest bearing instruments (such as deposits, SBI or money market mutual funds) and bonds with maturity less than 1 year.

PERFORMANCE INDICATOR

Return Performance

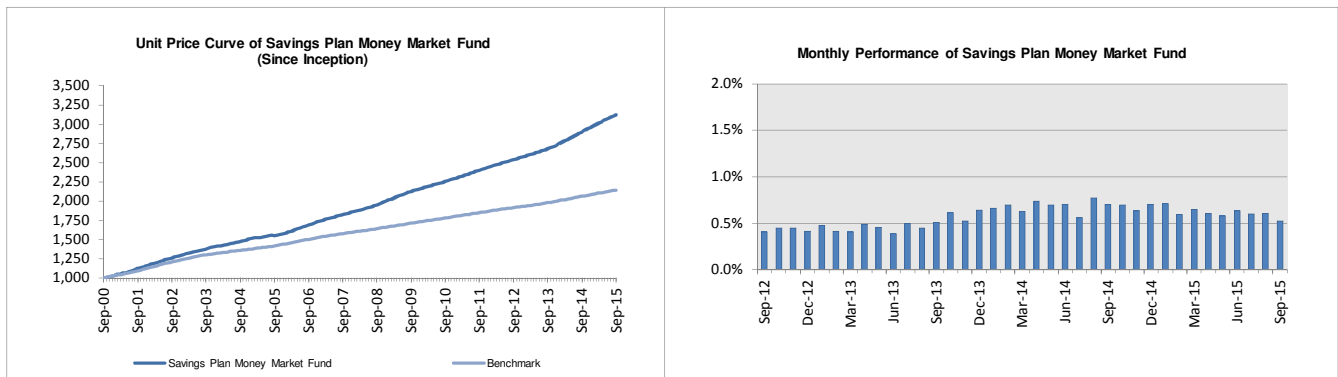
Last 1-year period	7.82%
Best Month	1.27% Aug-01
Worst Month	-0.69% Sep-05

Portfolio Breakdown

Corporate Bonds < 1 Year	13.84%
Govt. Related Bonds < 1 Year	3.34%
Cash/Deposit	82.82%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Savings Plan Money Market Fund	0.52%	1.74%	3.62%	7.82%	23.15%	5.66%	212.42%
Benchmark*	0.30%	0.92%	1.89%	3.97%	11.97%	2.92%	114.17%

*Average Time Deposit (1 Month) of 1 State Bank, 1 Local Bank and 1 Foreign Bank



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 596.98	Pricing Frequency	: Daily
Risk Profile	: Conservative Investor	Price per Unit	
Launch Date	: 30 Sep 2000	(As of Sep 30, 2015)	: IDR 3,124.24
Fund Currency	: Indonesian IDR		
Managed by	: PT. Asuransi Allianz Life Indonesia		

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced September's deflation at -0.05% mom (vs consensus 0.11%, inflation 0.39% in Aug 2015) mostly were caused by lower food ingredients and transportation cost. On yearly basis, inflation printed at 6.83% YoY (vs consensus 7%, 7.18% in Aug 2015). Core inflation printed at 5.07% YoY, higher compared to previous month (vs consensus 4.94%, 4.92% in Aug 2015) on the back of exchange rate depreciation. In the Board of Governors' Meeting on Sep 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 -4.49% to 14,657 at end of September compared to previous month 14,027. Trade balance was surplus +0.43bn USD (non-oil and gas surplus 1.01bn, oil and gas deficit 0.58bn USD) in Aug 2015. Export decreased by -12.28% YoY mostly driven from export in tins, while imports decreased by -17.06% YoY. FX Reserves decreased -3.63bn USD from 105.35bn USD in Aug 2015 to 101.72bn USD in Sep 2015 to stabilize the IDR exchange rate.

IDR government bond yields curve higher all across the curve in Sep 2015 on the back of market sell-off as offshore reducing their risk due to market uncertainty. Stimulus package from the government and BI reverse auctions also MoF debt switch auction failed to push yields lower. Another negative sentiment also came from news of S&P cut Brazil's credit rating from investment grade to junk bond and US stock slumped at the end of the month. Positive sentiment came from Fed rate decision not to raise the rate. The FOMC statement indicated that the FOMC prioritised international economic uncertainty and financial-market volatility over the strength of the US economy in its decision.

Detail of the 1st stimulus package:

1. Encourage national industries competitiveness through deregulation, debirocratization, law enforcement and business certainty
2. Acceleration on national strategic project
3. Increase the property investment

The second stimulus is more concrete measure and it still aimed to improve investment climate by simplifying investment permits and standardizing procedure. Incentive also given to encourage exporters to repatriate their exports proceed by giving tax discount on the deposit. Jokowi's coalition now has a majority in parliament. PAN party, which holds about 9% of voting power in parliament officially shifted to Jokowi's coalition – this is a positive signal sent by the government. BI held twice reverse auction on Sep 10 and 16, IDR 753bn awarded at the first reverse auction and IDR 550bn at the second one. MoF also held debt switch auction on Sep 10 but only swapped 55bn of bonds from 216bn incoming offers. Offshore accounts decreased their holding by IDR 2.30Tn in Sep 2015 (-0.44% MoM), from IDR 525.68Tn as of Aug 31, 2015 to IDR 523.38Tn as of Sep 30, 2015, which brought their holding to 37.59% of total outstanding tradable government bond (from 37.75% in the previous month). The 5Y yield Sept was higher by +98bps to 9.54% (8.56% in Aug 2015), 10Y tenor higher by +95bps to 9.71% (8.76% in Aug 2015), 15Y tenor higher by +57bps to 9.82% (9.25% in Aug 2015) and 20Y tenor higher by +84bps to 9.95% (9.11% in Aug 2015).

Disclaimer:

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