

AlliSya Rupiah Balanced Fund

April 2015


BLOOMBERG: AZSRPBL:IJ
INVESTMENT OBJECTIVE

The objective of this fund is to achieve conservative long term capital growth while earning relatively stable income.

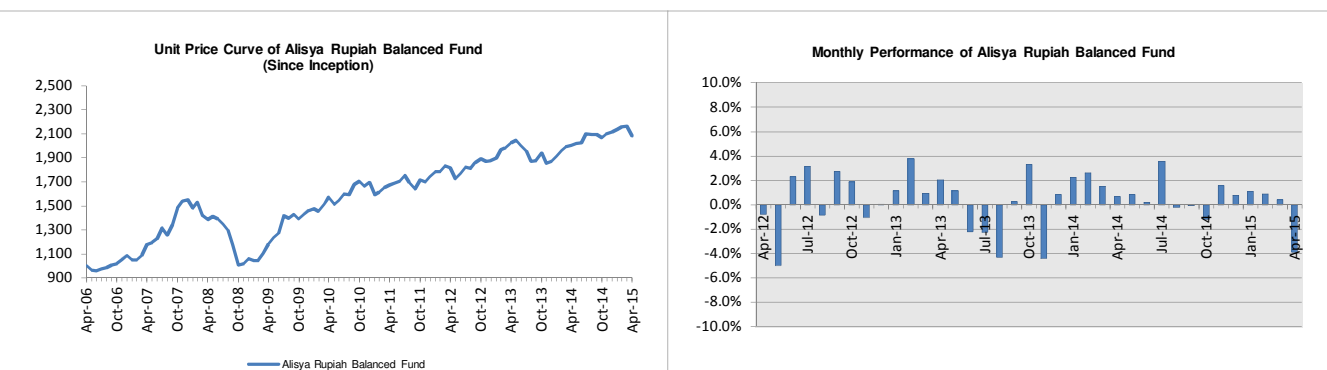
INVESTMENT STRATEGY

To achieve the investment objectives, this fund shall be invested with a target of 7.5% in short term sharia instruments (such as deposits of sharia, sharia SBI, sharia SPN, and / or money market mutual funds), 40% in medium or long term sharia instruments (such as sharia bonds, sharia corporate bonds and / or sharia fixed income mutual funds), and 52.5% in the sharia based equity instruments in accordance to OJK's decision (either directly through sharia stocks or through sharia equity mutual funds).

PERFORMANCE INDICATOR

Return Performance		Portfolio Breakdown		Top Holding Bonds		Top Five Stocks Holding	
Last 1-year period	3.86%	Equity	51.91%	PROJECT BASED SUKUK SR.1	3.59%	UNILEVER INDONESIA	9.77%
Best Month	10.95% Jul-09	Treasury Bonds	14.51%	IFR0001 SUKUK NEGARA	3.18%	ASTRA INTERNATIONAL	8.06%
Worst Month	-14.39% Oct-08	Govt. Related Bonds	2.45%	SUKUK NEGARA RITEL SR. IV	3.07%	TELEKOMUNIKASI	7.79%
		Mutual Fund Fixed Income	2.93%	SUKUK IJARAH PLN V SR. A	1.86%	PERUSAHAAN GAS NEGARA	2.83%
		Cash/Deposit Sharia	28.20%	SUKUK NEGARA RITEL SR. V	1.72%	INDOCEMENT TUNGGAL PRAKARSA	2.40%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Balanced Fund	-3.91%	-2.69%	0.74%	3.86%	14.36%	-1.62%	108.03%


KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 488.67	Pricing Frequency	: Daily
Risk Profile	: Moderate Investor	Price per Unit	: <i>Bid</i> <i>Offer</i>
Launch Date	: 25 Apr 2006	(As of Apr 30, 2015)	: IDR 1,976.24 IDR 2,080.25
Fund Currency	: Indonesian IDR	Bid-Offer Spread	: 5.00%
Managed by	: PT. Asuransi Allianz Life Indonesia	Management Fee	: 2.00% p.a

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in Apr 2015 at 0.36% mom (vs consensus 0.38%, inflation 0.17% in Mar 2015) which mostly were caused by higher transportation cost and processed food, beverages, cigarettes and tobacco prices. On yearly basis, inflation printed at 6.79% YoY (vs consensus 6.8%, 6.38% in Mar 2015). Core inflation printed at 5.04% YoY, unchanged from previous month (vs consensus 5.04%, 5.04% in Mar 2015). In the Board of Governors' Meeting on Apr 14th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%. Rupiah appreciated against USD by 1.12% to 12,937 at end of Apr compared to previous month 13,084. Indonesia economic growth in first quarter 2015 was decreased -0.18% QoQ (4.71% YoY compared to previous quarter at 5.01% YoY) which largely led by slower government spending and non-profit institutions' consumption. Trade balance was surplus +1.13bn USD (non-oil and gas surplus 1.41bn, oil and gas deficit 0.28bn USD) in Mar 2015. Export decreased by -9.75% YoY mostly driven from export in mineral fuel, while imports decreased -13.39% YoY.

IDR government bond yields closed higher across all tenor in Apr 2015 on the back of market selloff due to slower economic growth – despite of positive movement and currency strengthening in early weeks. The trade balance result which bigger than expected was failed to stop selling interest. Big losses in equity market also added negative sentiment to the market. The last auction (28 April 2015) was the lowest issued ever in 2015, only 4.85tn issued from 10tn indicative target. Unaggressive issuance from the auction from government and relatively inline with secondary market managed to help market fall further. The president of the Investment Coordinating Board (BKPM) projects FDI to reach USD16bn (IDR207.9t) as of 1Q15 this year, increasing by 135% compared to the same period last year, which only reached USD6.8bn. Offshore accounts increased their holding by IDR 4.10Tn in Apr 2015 (+0.81% MoM), from IDR 504.08Tn as of Mar 31, 2015 to IDR 508.18Tn as of Apr 30, 2015, which brought their holding to 38.51% of total outstanding tradable government bond (from 38.61% in the previous month). The 5Y yield Mar was higher by +37bps to 7.69% (7.32% in Mar 2015), 10Y tenor higher by +27bps to 7.72% (7.45% in Mar 2015), 15Y tenor higher by +33bps to 8.04% (7.71% in Mar 2015) and 20Y tenor higher by 31bps to 8.08% (7.77% in Mar 2015).

The JII (Jakarta Islamic Index) ended lower in April at 664.80, falling -8.71% MoM. Large cap stocks such as ASII, TLKM, PGAS, CPIN, and MNCN contributed to the MoM decline, all of which fell by -20.12%, -9.04%, -14.58%, -20.03%, and -23.04% MoM respectively. 1Q15 earnings results were below market expectations and all in all weak. Coupled with high valuations and expectations, the market corrected quite sharply wiping out all the YTD gains. Reflective of that, foreign net outflow was US\$ 550mn during the last week of Apr-15. Several leading economic indicators such as car sales, cement, and retail sales were negative during in the last 3 months, indicating much softer domestic purchasing power. Government infrastructure budget/spending which was expected to be the main driver of economic growth this year has yet to be seen, partly due to the revision in budget as the new government takes place which resulted in delays of disbursements. Meanwhile, Apr-15 non-oil tax collection only grew 3% YoY, much lower than the government's target of 30% YoY reflecting softer domestic demand. In summary, the government's GDP growth target of 5.7% looks challenging and has toned down GDP growth expectation to 5.3%-5.7% for FY15. Sector wise, the Miscellaneous Industry Sector was the worst performing sector this month, falling by -16.85% MoM. ASII (Astra International) and GJTL (Gajah Tunggal) were the laggards; falling by -20.12% and -16.98% MoM respectively. This was followed by the Basic Industry Sector falling -9.94% MoM as CPIN (Charoen Pokphand) and PGAS (Perusahaan Gas Negara) which fell -20.03% and -14.58% MoM respectively.

Disclaimer:

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