

AlliSya Rupiah Balanced Fund

May 2015


BLOOMBERG: AZSRPBL:IJ
INVESTMENT OBJECTIVE

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

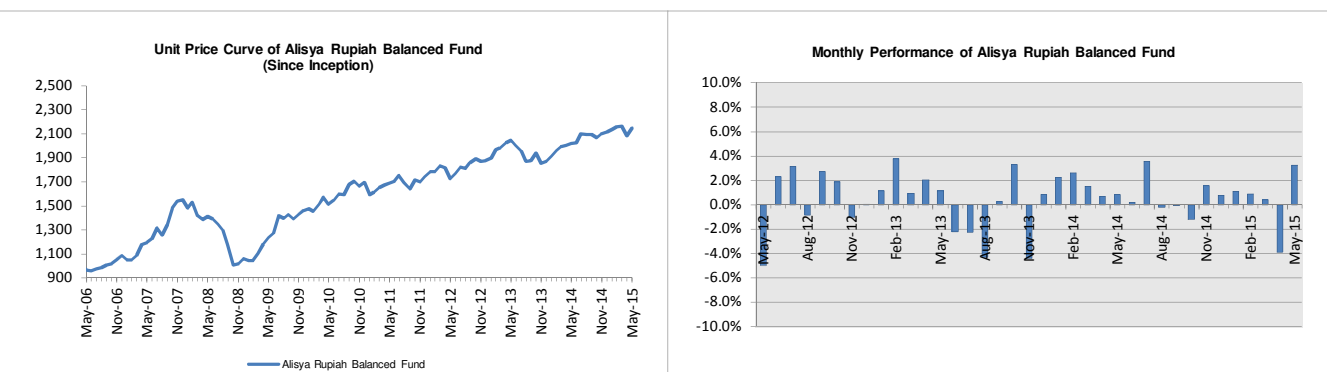
INVESTMENT STRATEGY

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	6.35%	Equity	52.72%	PROJECT BASED SUKUK SR.1	3.48%	UNILEVER INDONESIA	9.24%
Best Month	10.95% Jul-09	Treasury Bonds	14.01%	IFR0001 SUKUK NEGARA	3.09%	ASTRA INTERNATIONAL	8.27%
Worst Month	-14.39% Oct-08	Govt. Related Bonds	2.39%	SUKUK NEGARA RITEL SR. IV	2.97%	TELEKOMUNIKASI	7.92%
		Mutual Fund Fixed Income	2.85%	SUKUK IJARAH PLN V SR. A	1.81%	PERUSAHAAN GAS NEGARA	2.89%
		Cash/Deposit Sharia	28.03%	SUKUK NEGARA RITEL SR. V	1.67%	INDOFOOD CBP SUKSES MAKMUR	2.31%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Balanced Fund	3.26%	-0.37%	2.39%	6.35%	24.29%	1.59%	114.81%


KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 504.28	Pricing Frequency	: Daily
Risk Profile	: Moderate Investor	Price per Unit	: Bid Offer
Launch Date	: 25 Apr 2006	(As of May 29, 2015)	: IDR 2,040.65 IDR 2,148.05
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 May 2015 at 0.50% mom (vs consensus 0.40%, inflation 0.36% in Apr 2015) which mostly were caused by higher food ingredients, processed food and tobacco prices. On yearly basis, inflation printed at 7.15% YoY (vs consensus 7.01%, 6.79% in Apr 2015). Core inflation printed at 5.04% YoY, unchanged from previous month (vs consensus 5.06%, 5.04% in Apr 2015). In the Board of Governors' Meeting on May 19th, 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 -2.12% to 13,211 at end of May compared to previous month 12,937. Trade balance was surplus +0.45bn USD (non-oil and gas surplus 1.33bn, oil and gas deficit 0.88bn USD) in Apr 2015. Export decreased by -8.46% YoY mostly driven from export in mineral fuel, while imports decreased -22.31% YoY. FX Reserves slightly decreased -0.1bn USD from 110.87bn USD in Apr 2015 to 110.77bn USD in May 2015 (can cover 7.1 months import or 6.8 months import and offshore government loan payment). The government issuance of \$2 billion global sukuk added to the reserves, however the gain was offset when Bank Indonesia used reserves to repay offshore government loans and to defend the rupiah in the foreign-exchange market.

IDR government bond yields closed higher across all tenor in May 2015 on the back of market sell-off due to the effect of economy data results such as slower economic growth and currency weakened; despite of better than expected April's trade balance. Negative sentiment also came from global news such as fear on Greece's debt problem and UST sell-off. While positive sentiment came from unchanged BI reference rate and S&P outlook released as well as Bank Indonesia's reverse auctions.

BI conducted reverse auction to support the market :

1. From total bid IDR 3.5tn on May 8, BI awarded IDR 2.3tn
2. From total bid IDR 5.89tn on May 12, BI awarded IDR 3tn
3. From total bid IDR 5.36tn on May 13, BI awarded IDR 2.665tn

Indonesia's credit outlook was changed to positive from stable by Standard & Poor's rating agency. The reason behind it was the improvement in fiscal and monetary framework. S&P stated that the greater policy effectiveness and predictability have resulted on expanded fiscal and reserve buffers, which improves Indonesia's external resilience. Offshore accounts increased their holding by IDR 6.31tn in May 2015 (+1.24% MoM), from IDR 508.18tn as of Apr 30, 2015 to IDR 514.49tn as of May 29, 2015, which brought their holding to 38.39% of total outstanding tradable government bond (from 38.51% in the previous month). The 5Y yield May was higher by +37bps to 8.06% (7.69% in Apr 2015), 10Y tenor higher by +45bps to 8.17% (7.72% in Apr 2015), 15Y tenor higher by +34bps to 8.38% (8.04% in Apr 2015) and 20Y tenor higher by +30bps to 8.38% (8.08% in Apr 2015).

The JII (Jakarta Islamic Index) ended higher in May at 698.07, rising +5.00% MoM. Large cap stocks such as TLKM, ASII, AALI, SMGR, and UNVR contributed to the MoM gain, all of which rose by +8.80%, +6.57%, +21.87%, +7.60%, and +1.64% MoM respectively. Equity market rebounded last month despite lower macro indicators. IDR currency weakened 6.23% YTD to IDR 13,211/USD level, which was 17 year low with ongoing foreign outflows. Foreign investors saw increasing downside risk of the Indonesian economy as lower purchasing power could be prolonged. Weak commodity prices have reduced people's wallet size/income in outer Java which are highly dependent on the commodity related sector. Government spending will be the only growth driver in the short run, however the progress has been slow and potentially improve post the month of Ramadan which suggests lesser working hours. In summary, FY15 Govt. spending expectation may have slight shortfalls and lower purchasing power may suggest that the FY15 GDP growth target of 5.4% might be challenging. Sector wise, the Agriculture Sector was the best performing sector this month, rising by +15.56% MoM, BWPT (BW Plantation) and AALI (Astra Agro Lestari) were the movers; gaining by +59.13% and +21.87% MoM respectively. This was followed by the Basic Industry Sector that rose +7.36% MoM, contributed by SMGR (Semen Gresik) and INTP (Indocement) went up by +7.60% and +6.67% MoM respectively. On the other hand, Trading and Distribution sectors was the worst performing sector this month, fell -0.70%. UNTR (United Tractor) and BMTR (Global Mediacom) were the detractors which fell -5.14% and -16.77% MoM respectively.

Disclaimer:

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