

AlliSya Rupiah Balanced Fund

March 2015


BLOOMBERG: AZSRPBL:IJ
INVESTMENT OBJECTIVE

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

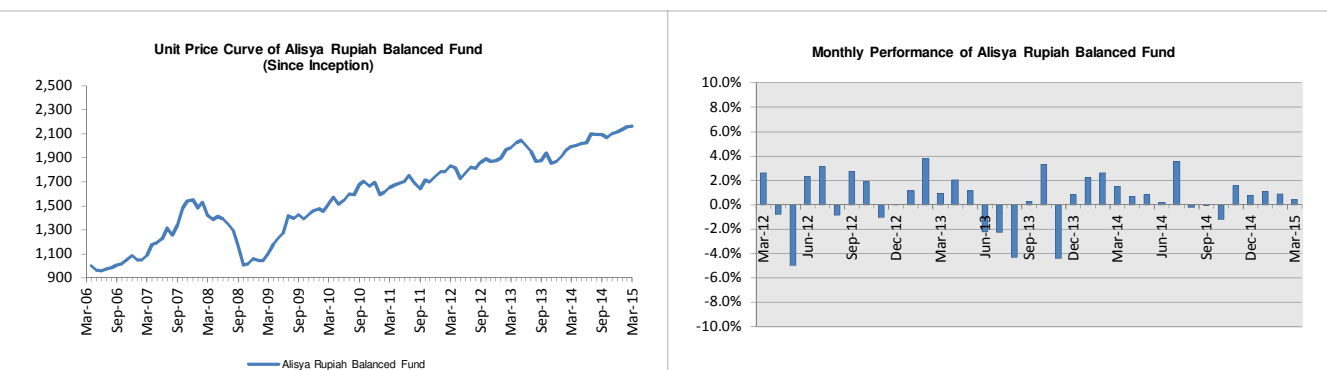
INVESTMENT STRATEGY

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

<u>Return Performance</u>		<u>Portfolio Breakdown</u>	<u>Top Holding Bonds</u>	<u>Top Five Stocks Holding</u>	
Last 1-year period	8.80%	Equity	52.71% PROJECT BASED SUKUK SR.1	3.48% ASTRA INTERNATIONAL	9.38%
Best Month	10.95% Jul-09	Treasury Bonds	14.07% IFR0001 SUKUK NEGARA	3.05% UNILEVER INDONESIA	8.29%
Worst Month	-14.39% Oct-08	Govt. Related Bonds	2.40% SUKUK NEGARA RITEL SR. IV	2.96% TELEKOMUNIKASI	7.64%
		Mutual Fund Fixed Income	2.82% SUKUK IJARA PLN V SR. A	1.82% PERUSAHAAN GAS NEGARA	3.04%
		Cash/Deposit Sharia	28.00% SUKUK NEGARA RITEL SR. V	1.67% INDOCEMENT TUNGGAL	2.49%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Balanced Fund	0.41%	2.38%	3.55%	8.80%	18.07%	2.38%	116.49%


KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 506.51	Pricing Frequency	: Daily
Risk Profile	: Moderate Investor	Price per Unit	Bid Offer
Launch Date	: 25 Apr 2006	(As of Mar 31, 2015)	: IDR 2,056.64 IDR 2,164.89
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 Mar 2015 at 0.17% mom (vs consensus 0.22%, inflation -0.36% in Feb 2015) which was caused by higher processed food, beverages, cigarettes and tobacco prices. On yearly basis, inflation printed at 6.38% YoY (vs consensus 6.39%, 6.29% in Feb 2015). Core inflation printed at 5.04% YoY, higher than previous month (vs consensus 4.95%, 4.96% in Feb 2015). In the Board of Governors' Meeting on Mar 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 -1.72% to 13,084 at end of Mar compared to previous month 12,863. Trade balance was surplus +0.74bn USD (non-oil and gas surplus 0.17bn, oil and gas surplus 0.57bn USD) in Feb 2015 (vs consensus surplus 0.64bn USD, surplus 0.74bn USD in Jan 2015). Export decreased by -16.02% YoY mostly driven from export in jewelry, while imports decreased -16.24% YoY. FX Reserves decreased -3.973bn USD from 115.527bn USD in Feb 2015 to 111.554bn USD in Mar 2015.

IDR government bond yields curve closed lower across all tenor in Mar 2015 as foreign accounts sell off their inventories as their hedging cost was getting more expensive due to appreciation of USD against IDR and other currencies in the region. The uncertainty of currency rate has made the market fluctuated. Positive sentiment came from MOF's decision to cancel the debt switch. MOF canceled debt switch on March 12 which will help to support market as no additional supply into the long end bonds. President Jokowi announced policy to address CAD that has been impacting weakening IDR. Some of the policies include: Anti-dumping tax on import products, Tax incentive for Indonesian companies that meet 30% export quota, Tax incentive for local shipping companies, Increase of biodiesel component in fuel, Tax incentive for foreign company on dividend reinvested in Indonesia, Formulate tax payment for foreign shipping companies, Forming reinsurance company under state own entity, To enforce the use of IDR in Indonesia. Offshore accounts decreased their holding by IDR 3.39Tn in Mar 2015 (-0.67% MoM), from IDR 507.47Tn as of Feb 27, 2015 to IDR 504.08Tn as of Mar 31, 2015, which brought their holding to 36.61% of total outstanding tradable government bond (from 40.02% in the previous month). The 5Y yield Mar was higher by +46bps to 7.32% (6.86% in Feb 2015), 10Y tenor higher by 39bps to 7.45% (7.06% in Feb 2015), 15Y tenor higher by 43bps to 7.71% (7.28% in Feb 2015) and 20Y tenor higher by 46bps to 7.77% (7.31% in Jan 2015).

The JII (Jakarta Islamic Index) ended higher in March at 728.20, rising +0.84% MoM. Large cap stocks such as ASII, UNVR, LPKR, UNTR, and KLBF contributed to the MoM gain, all of which rose by +9.24%, +10.14%, +14.41%, +5.06%, and +3.32% MoM respectively. 2014 earnings results were mixed, where broad market earnings growth was in the range of 5-10% YoY. Lower in comparison to 2013 broad market earnings at 10-15% YoY. Corporate earnings growth in general has expectedly slowed due to several macro factors. Imports were lower in Feb-15, which fell by 12% and 16% YoY, respectively. Further indicating that the economy is slowing. Investors in general were cautious on the government's more aggressive growth target of 5.7%. Government tax revenue merely reached IDR 125tn which was 8.4% of FY15 target, -9.19% lower on a YoY basis. Should government is unable to reach the FY15 target, CAD risks rising above 2% of GDP which may result in cutting infrastructure spending. Sector wise, the Miscellaneous Industry Sector was the best performing sector this month, appreciating by +7.17% MoM. ASII (Astra International) was the movers; rising by +9.24% MoM. This was followed by the Consumer Sector that posted +4.04% MoM gains, driven by UNVR (Unilever) and KLBF (Kalbe Farma) which rose +10.14% and +3.32% MoM respectively. On the other hand, the Basic Industry Sector was the worst performing this month which fell -7.74% MoM, the laggards were INTP (Indocement) and SMGR (Semen Indonesia) which fell by -8.84% and -8.24% MoM respectively.

Disclaimer:

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