

AlliSya Rupiah Fixed Income Fund

July 2013


BLOOMBERG: AZSRPFI:IJ
INVESTMENT OBJECTIVE

The Objective of the fund is to provide relatively stable income with capital preservation for the long term.

INVESTMENT STRATEGY

To achieve the investment objective, this fund shall be invested 0 - 20% in short-term sharia instruments (such as deposits of sharia, sharia SBI, sharia SPN, and / or money market mutual funds), and 80 - 100% in medium or long term instruments (such as sharia bonds, sharia corporate bonds and / or sharia fixed income mutual funds).

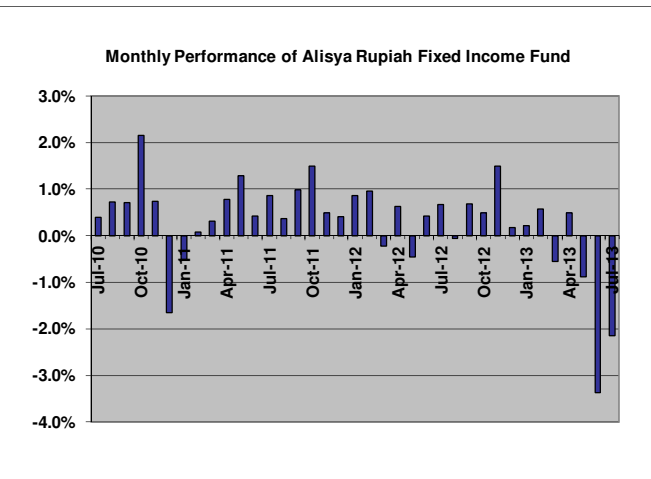
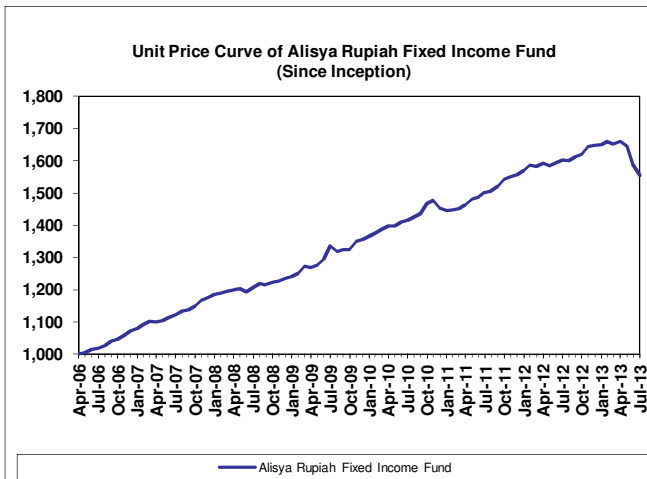
PERFORMANCE INDICATOR
Return Performance

Last 1-year period	-2.94%
Best Month	3.32% Jul-09
Worst Month	-3.37% Jun-13

Portfolio Breakdown

Cash/Deposit Sharia	18.82%
Sharia Fixed Income Mutual Fund	0.00%
Government Bonds	77.14%
Corporate Bonds	4.04%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Fixed Income Fund	-2.14%	-6.27%	-5.80%	-2.94%	9.87%	-5.59%	55.50%


KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 49.59
Risk Profile	: Moderate Investor
Launch Date	: 25 Apr 2006
Fund Currency	: Indonesian IDR
Managed by	: PT. Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily
Price per Unit	Bid Offer
(As of July 31, 2013)	: IDR 1,477.22 IDR 1,554.97
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a

MANAGER COMMENTARY

Head Inflation rose to 8.61% yoy, 3.29% mom in July (vs consensus 8.04% yoy, 2.79% mom) from 5.9% yoy, 1.03% mom in June, driven by fuel price hikes and seasonal price increases due to the upcoming Eid Mubarak holiday. The core inflation also rose to 4.44% yoy (vs consensus 4.56%) from 3.98% YoY in June. In the Board of Governors' Meeting on July 11th, 2013, Bank Indonesia increased its reference rate by 50 bps to 6.50% and the deposit facility rate (FASBI) by 50bps to 4.75%. Rupiah depreciated against USD (BI middle exchange rate) by -3.51% to 10,278 at end of July compared to previous month 9,929. Indonesia's 2Q 2013 GDP expanded to 5.81% yoy vs prior quarter at 6.03%, median estimate was 5.9%. Indonesia's June trade balance posted higher deficit at USD -0.85bn compared to deficit at USD -0.59bn in May 2013. Export decreased by -8.63% MoM while imports lowered by -6.44% MoM.

IDR govt bond yields closed higher all across the curve in July on the back of offshore selling which triggered by few factors: 1. Lower foreign reserve in June, 2. Hikes in US Treasury 10yr yield, 3. Higher inflation level due to fuel prices hike and upcoming Eid Mubarak price hike, 4. Lower GDP growth, and 5. Wider trade balance deficit. Positive sentiments came from buying support by Bank Indonesia and Fed statement that US economy starts to recover but still need support, which showed no indication on plan to reduce bond-buying stimulus for next meeting in Sept 2013. Offshore accounts increased their holding by IDR 2.81Tn in July 2013 (0.99% mom), from IDR 282.96Tn as of June 28, 2013 to IDR 285.77Tn as of July 31, 2013, which brought their holding to 31.33% of total outstanding tradable government bond (from 31.85% in the previous month). The 5Y yield July increased by 100bps to 7.41% (6.41% in June 2013), 10Y yield July increased by 71bps to 7.84% (7.13% in June 2013), 20Y yield July increased by 54bps to 8.33% (7.79% in June 2013), and 29Y yield July increased by 72bps to 8.64% (7.92% in June 2013).

Disclaimer:

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