

# AlliSya Rupiah Fixed Income Fund

## June 2013


**BLOOMBERG: AZSRPFI:IJ (IDR)**
**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**

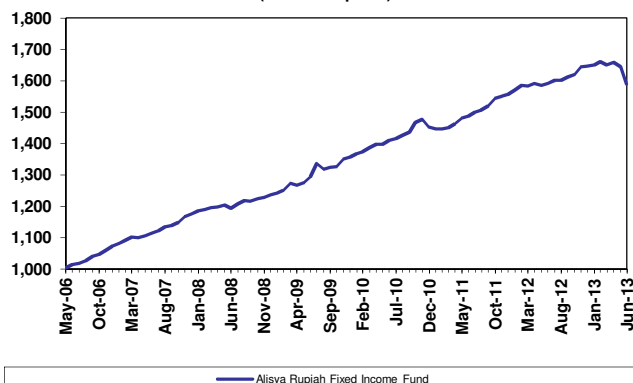
Last 1-year period	-0.16%
Best Month	3.32% Jul-09
Worst Month	-3.37% Jun-13

**Portfolio Breakdown**

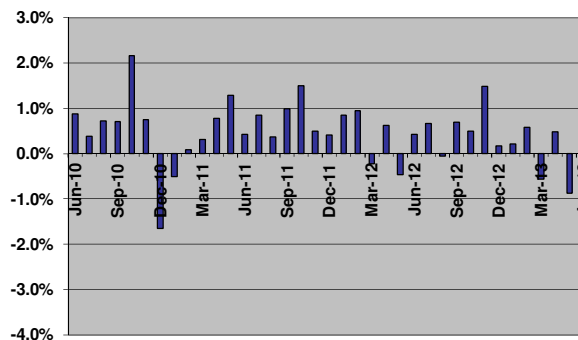
Cash/Deposit Sharia	20.14%
Sharia Fixed Income Mutual Fund	0.00%
Government Bonds	77.83%
Corporate Bonds	2.03%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Fixed Income Fund	-3.37%	-3.75%	-3.52%	-0.16%	12.71%	-3.52%	58.90%

Unit Price Curve of Alisya Rupiah Fixed Income Fund  
(Since Inception)



Monthly Performance of Alisya Rupiah Fixed Income Fund


**KEY FUND FACTS**

<b>Fund Size (in bn IDR)</b>	IDR 50.73
<b>Risk Profile</b>	: Moderate Investor
<b>Launch Date</b>	: 25 Apr 2006
<b>Fund Currency</b>	: Indonesian IDR
<b>Managed by</b>	: PT. Asuransi Allianz Life Indonesia

<b>Pricing Frequency</b>	: Daily	
<b>Price per Unit</b>	<b>Bid</b>	<b>Offer</b>
(As of June 28, 2013)	1,509.58	1,589.03
<b>Bid-Offer Spread</b>	: 5.00%	
<b>Management Fee</b>	: 2.00% p.a	

**MANAGER COMMENTARY**

Head Inflation rose to 5.9% YoY, 1.03% MoM in June (vs consensus 6.02% YoY, 1.09% MoM) from 5.5% YoY in May, driven by fuel price hikes. The core inflation was relatively stable to 3.98% YoY (vs consensus 4.13%) from 3.99% YoY in May. Government decided to increase the subsidized fuel price both for premium (from IDR4,500 to IDR6,500 per liter) and diesel (from IDR4,500 to IDR5,500 per liter) effective on June 22, 2013. Government will allocate around IDR29.4Tn to mitigate the negative impact of the price hikes on the economy that includes temporary monetary relief (BLSM) around IDR9.3Tn. In the Board of Governors' Meeting on June 13th, 2013, Bank Indonesia increased its reference rate by 25 bps to 6.00%, and two days earlier increased the deposit facility rate (FASBI) as well by 25bps to 4.25%. Rupiah depreciated against USD by -1.27% to IDR10,004 at end of June compared to previous month IDR9,877. Indonesia's May trade balance posted lower deficit at -USD 0.59bn compared to deficit at -USD 1.61bn in Apr 2013. Export increased by 8.90% MoM while import increased by 1.22% MoM.

IDR govt bond yields closed higher all across the curve in June mostly on the back of offshore selling which triggered by few factors : 1. Rupiah depreciation, 2. Possibility of Fed tapering down its bond buying program (The Federal Reserve Chairman Ben S. Bernanke stated that the central bank may begin to tapering its bond buying program this year and entirely end the stimulus in mid-2014 if the economy still shows the sustainable improvement), 3. Higher inflation level due to fuel prices hike, 4. Higher trade balance deficit. Support came from Bank Indonesia buying action in the market. Positive sentiment arised from Bank Indonesia's promise to continue supply liquidity in forex market. Net sellers were mutual funds, insurance companies, offshore names and individuals, while net buyers were local banks, Bank Indonesia, and pension funds. Offshore accounts decreased their holding by -IDR19.98Tn in June 2013 (-6.59% mom), from IDR 302.94Tn as of May 31, 2013 to IDR 282.96Tn as of June 28, 2013, which brought their holding to 31.85% of total outstanding tradable government bond (from 33.82% in the previous month). The 5Y yield June increased by 119bps to 6.41% (5.22% in May 2013), 10Y yield June increased by 115bps to 7.13% (5.98% in May 2013), 20Y yield June increased by 91bps to 7.79% (6.88% in May 2013), and 29Y yield June increased by 96bps to 7.92% (6.96% in May 2013).

**Disclaimer:**

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