

AlliSya Rupiah Fixed Income Fund

May 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).

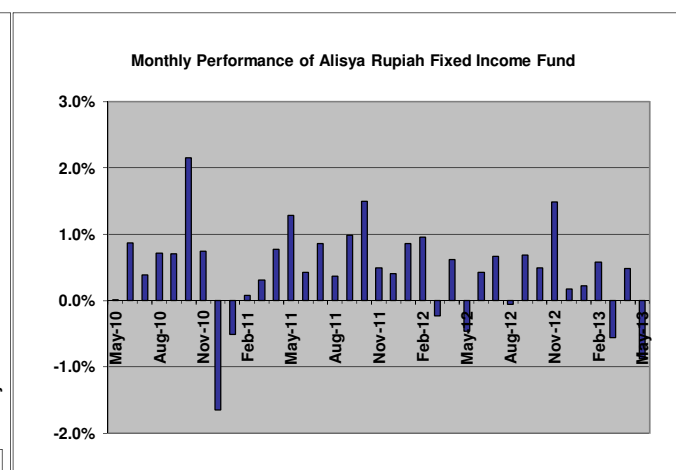
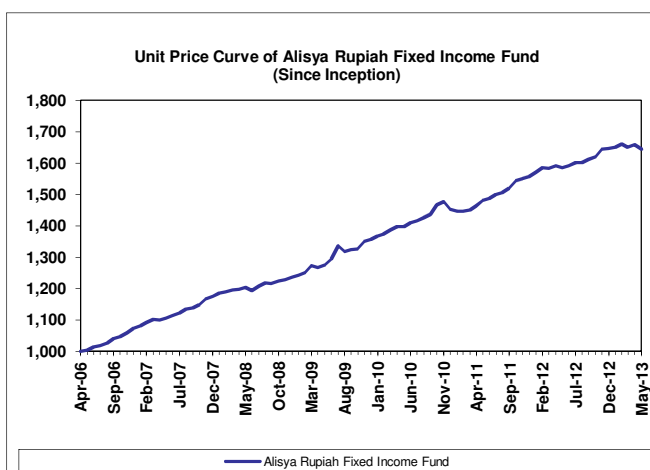
PERFORMANCE INDICATOR
Return Performance

Last 1-year period	3.77%
Best Month	3.32% Jul-09
Worst Month	-1.65% Dec-10

Portfolio Breakdown

Cash/Deposit Sharia	19.84%
Mutual Fund FI Sharia	0.00%
Government Bonds	78.17%
Corporate Bonds	1.99%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception	Simple Average Growth Rate Since Inception
AlliSya Rupiah Fixed Income Fund	-0.88%	-0.95%	0.01%	3.77%	17.66%	-0.16%	64.44%	9.09%


KEY FUND FACTS

Fund Size (in bn IDR)	IDR 53.09
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 May 31, 2013)	1,562.22 1,644.44
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a

MANAGER COMMENTARY

Indonesia May's Inflation was lower compared to market consensus i.e. May CPI YoY 5.47% (consensus 5.61%) vs April 5.57%, May MoM -0.03% (consensus +0.11%) vs April -0.10%; due to deflation in food and clothes as horticulture import restrictions were loosened, and prices of personal accessories fell due to downtrend in gold prices. April's Core inflation was also lower compared to previous month figure, YoY 3.99% (consensus 4.08%) vs Apr 4.12%. BI maintained its reference rate unchanged at 5.75% on 14 May 2013's meeting due to manageable inflation. Rupiah depreciated against USD by -1.45% to 9877 at end of May from 9734 compared to previous month. Indonesia's April trade balance posted deficit at - USD 1.61bn compared to surplus USD 305 million in March 2013. Export decreased by -2.18% MoM while imports increased by 9.59% MoM. May's foreign reserves decreased by -USD2.12bn from USD107.27bn in April to USD105.15bn in May on the back of Bank Indonesia's intervention in foreign exchange market. Target deficit of 2013's Revised Budget widened by IDR 80.4T from initial budget. Overall, budget deficit widened to IDR 233.7T (2.48% of GDP).

IDR govt bond yields closed higher all across the curve in May due few factors : 1. S&P revised its outlook on Indonesia's BB+ rating to stable from positive. The outlook revision reflects S&P assessment that the stalling of reform momentum and a weaker external profile have diminished the potential for a rating upgrade over the next 12 months followed by warning from Moody's saying that Indonesian Gov't inability to effect fuel subsidy reform is credit negative. 2. Some players reduced position on the back of higher inflation expectation and possibility of tightened monetary policy from Bank Indonesia in regard to subsidized fuel decision. The Indonesian government plans to increase the subsidized gasoline (Pertamina's Premium) from IDR4,500 to IDR6,500 per liter and diesel fuel from IDR4,500 to IDR5,500. Chatib Basri was appointed by President Soesilo Bambang Yudhoyono as new Finance Minister considered by market as positive decision due to his background as pro-market and clean reputation despite no significant effect in the market post the appointment. Net sellers were mutual funds, and individuals, while net buyers were local banks, Bank Indonesia, insurance companies, pension funds, and offshore names. Offshore accounts increased their holding by IDR 4.22Tn in May 2013 (1.41% mom), from IDR 298.72Tn as of Apr 30, 2013 to IDR 302.94Tn as of May 31, 2013, which brought their holding to 33.82% of total outstanding tradable government bond (from 34.16% in the previous month). The 5Y yield May increased by 31bps to 5.22% (4.91% in April 2013), 10Y yield May increased by 47bps to 5.98% (5.51% in April 2013), 20Y yield May increased by 44bps to 6.88% (6.44% in April 2013), and 29Y yield May increased by 45bps to 6.96% (6.51% in April 2013).

Disclaimer:

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