

AlliSyia Rupiah Fixed Income Fund

March 2014


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).

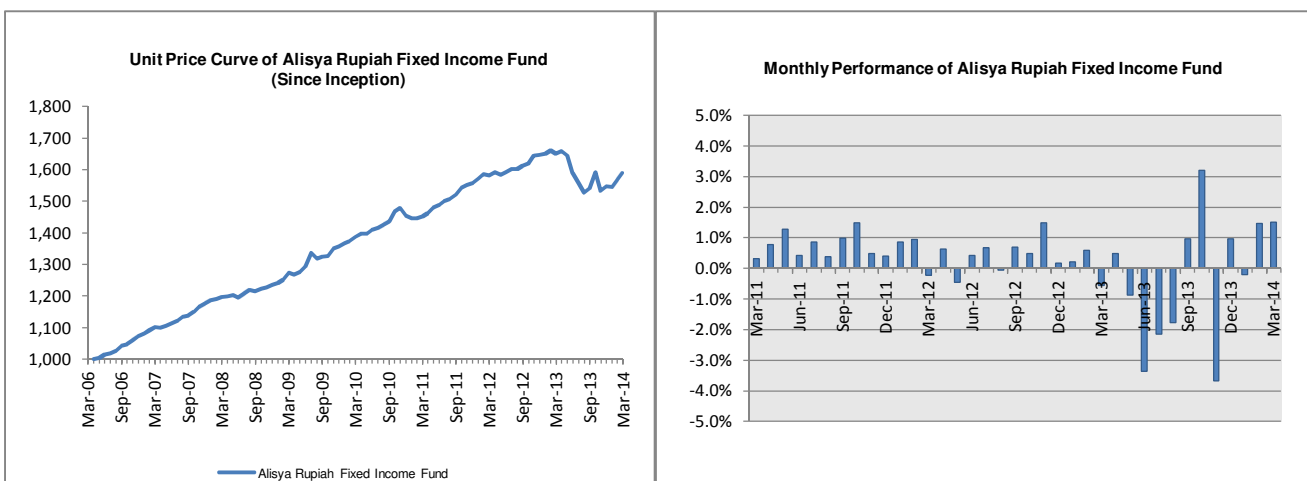
PERFORMANCE INDICATOR
Return Performance

Last 1-year period	-3.65%
Best Month	3.32% Jul-09
Worst Month	-3.68% Nov-13

Portfolio Breakdown

Cash/Deposit Sharia	19.52%
Sharia Fixed Income Mutual Fund	0.00%
Government Bonds	76.81%
Corporate Bonds	3.67%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSyia Rupiah Fixed Income Fund	1.51%	2.78%	3.16%	-3.65%	9.60%	2.78%	59.08%


KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 53.26
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 Mar 28, 2014)	: IDR 1,511.23 IDR 1,590.77
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced inflation in March at +0.08% mom (vs consensus +0.11%, +0.26% in Feb). Better mom inflation was due to lower food prices. On yearly basis, inflation printed at 7.32% yoy (vs consensus 7.35%, 7.75% in Feb). Core inflation rose to 4.61% yoy (vs consensus 4.50%, 4.57% in Feb). In the Board of Governors' Meeting on April 8th, 2014, BI maintained its reference rate at 7.5%, Lending Facility at 7.5%, and the deposit facility rate (FASBI) at 5.75%. Rupiah appreciated against USD by +1.98% to 11,404 at end of March compared to previous month 11,634. Trade balance was surplus US\$0.789bn in Feb (vs consensus surplus +US\$0.3bn, deficit -US\$0.431bn in Jan), on the back of increasing of non-oil trade balance surplus (from US\$ 0.60 bn in January 2014 to US\$ 1.58 bn in February 2014) and the narrowing of oil and gas trade balance deficit (from -US\$1.05 bn in January 2014 to -US\$0.80 bn in February 2014). Export decreased by -2.96% YoY, while imports decreased by -10% YoY. Foreign reserves in March decreased by USD -0.1bn (-0.1% MoM) from USD102.7bn in Feb to USD102.6bn in Mar.

IDR government bond yield curve bullish flattened in March. Bond prices was higher especially in benchmark series post news of Jokowi elected as presidential candidates from PDIP party. Negative sentiments came from US Federal Reserve Chair Janet Yellen' statement that they could begin raising rates six months after it end its monthly bond-buying program. Offshore accounts increased their holding by IDR 15.77Tn in March 2014 (+4.57% mom), from IDR 345.14Tn as of February 28, 2014 to IDR 360.91Tn as of March 28, 2014, which brought their holding to 33.64% of total outstanding tradable government bond (from 33.48% in the previous month). The 5Y yield March was lower by -18bps to 7.7% (7.88% in February 2014), 10Y tenor lower by -33bps to 8.00% (8.33% in February 2014), 15Y tenor lower by -52bps to 8.38% (8.90% in February 2014) and 20Y tenor lower by -41bps to 8.54% (8.95% in February 2014).

Disclaimer:

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