

# AlliSya Rupiah Fixed Income Fund

## July 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).

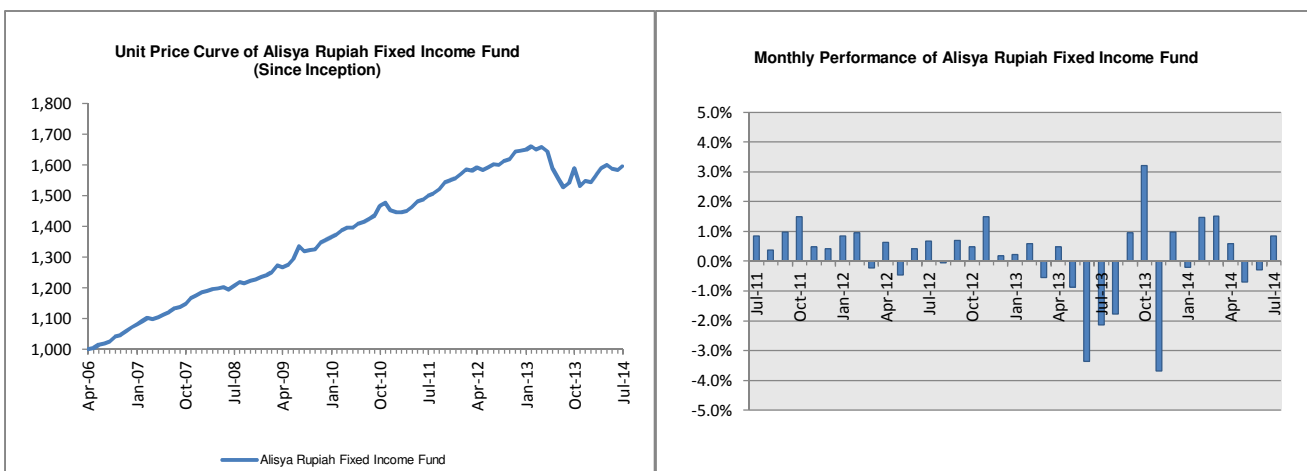
**PERFORMANCE INDICATOR**
**Return Performance**

Last 1-year period **2.74%**  
 Best Month **3.32% Jul-09**  
 Worst Month **-3.68% Nov-13**

**Portfolio Breakdown**

Cash/Deposit Sharia **19.01%**  
 Sharia Fixed Income Mutual Fund **0.00%**  
 Government Bonds **77.44%**  
 Corporate Bonds **3.55%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Fixed Income Fund	<b>0.84%</b>	<b>-0.15%</b>	<b>3.44%</b>	<b>2.74%</b>	<b>6.47%</b>	<b>3.22%</b>	<b>59.76%</b>


**KEY FUND FACTS**

**Fund Size (in bn IDR)** : IDR 54.04  
**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 25, 2014)** : IDR 1,517.68 IDR 1,597.56  
**Bid-Offer Spread** : 5.00%  
**Management Fee** : 2.00% p.a

**MANAGER COMMENTARY**

Central Bureau Statistics of Indonesia (BPS) announced inflation in Jul at 0.93% mom (vs consensus 0.82%, 0.43% in Jun) caused by higher food ingredients, processed food, beverages, and tobacco prices, as well as increasing impact of the July's electricity tariff hike for mid-size households – averaging 9% every two months. On yearly basis, inflation printed at 4.53% YoY (vs consensus 4.40%, 6.70% in Jun) as the base effect on the back of last year's June fuel price increase has diminished. Core inflation fell to 4.64% YoY (vs consensus 4.80%, 4.81% in Jun). In the Board of Governors' Meeting on Jul 10<sup>th</sup>, 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 +3.16% to 11,591 at end of Jul compared to previous month 11,969. Trade balance was deficit -0.31bn USD (non-oil and gas surplus +0.30bn, oil and gas deficit -0.60bn USD) in Jun (vs consensus deficit -0.39bn USD, surplus +0.07bn USD in May). Export increased by +4.45% YoY mostly driven from jewelry, while imports increased by +0.54% YoY.

IDR government bond yield curve flattened in July on the back of Jokowi-JK victory over Prabowo-Hatta in Presidential Election which inline with most of quick count results (7 out of 11 polls) and General Elections Commission (KPU) final result. Negative sentiment came from the declaration of Merah-Putih permanent coalition from Prabowo-Hatta side and also KPU been reported by Prabowo to the Constitutional Court (MK) for several accused fraud in the election process. Negative sentiments also came from fuel subsidy cuts (10% gasoline and 20% diesel) will be adapted gradually starting August and impact from the raw mineral export ban such as unprocessed metals and minerals – which started in January. Starting on Aug 4<sup>th</sup>, sales of subsidized diesel will only be allowed between 8 am to 6 pm at all Pertamina gas stations in Java, Sumatera, Kalimantan, and Bali, except for those on important logistic routes. Pertamina gas stations located on toll roads will as of Aug 6<sup>th</sup> stop selling Premium gasoline, instead offering only Pertamax fuel series. And also, Pertamina gas stations located in Central Jakarta will no longer sells subsidized diesel. Government plans to issue 96tn Rupiah bonds on 3Q14. Offshore accounts increased their holding by IDR 14.67Tn in July 2014 (+3.63% mom), from IDR 403.59Tn as of June 30, 2014 to IDR 418.26Tn as of July 31, 2014, which brought their holding to 36.33% of total outstanding tradable government bond (from 35.66% in the previous month). The 5Y yield Jul was higher by +3bps to 7.86% (7.83% in Jun 2014), 10Y tenor lower by -18bps to 8.04% (8.22% in Jun 2014), 15Y tenor lower by -17bps to 8.49% (8.66% in Jun 2014) and 20Y tenor lower by -23bps to 8.68% (8.91% in Jun 2014).

**Disclaimer:**

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