

AlliSyia Rupiah Fixed Income Fund

April 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).

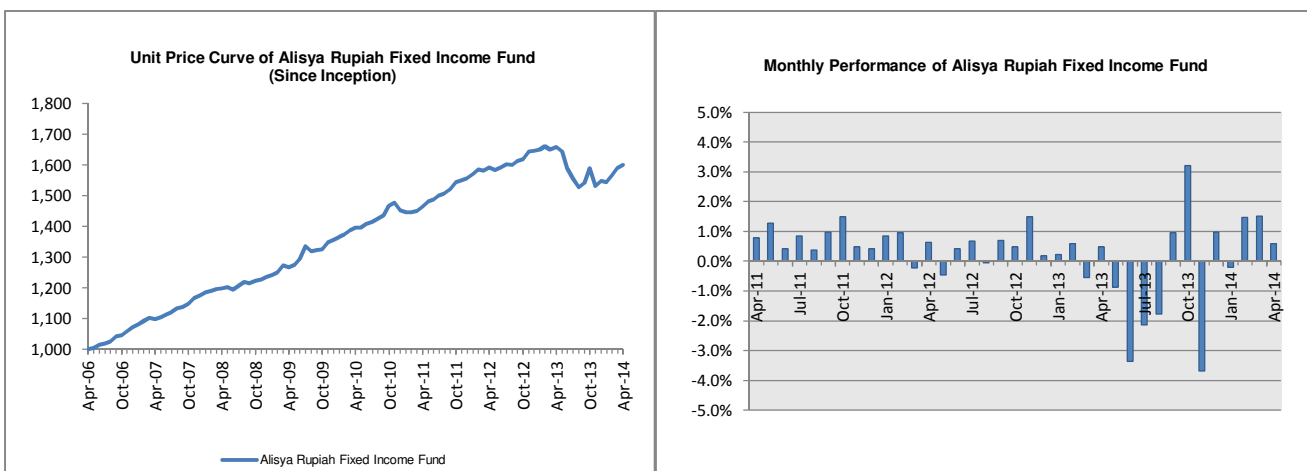
PERFORMANCE INDICATOR
Return Performance

Last 1-year period	-3.56%
Best Month	3.32% Jul-09
Worst Month	-3.68% Nov-13

Portfolio Breakdown

Cash/Deposit Sharia	18.95%
Sharia Fixed Income Mutual Fund	0.00%
Government Bonds	77.33%
Corporate Bonds	3.72%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSyia Rupiah Fixed Income Fund	0.58%	3.60%	0.54%	-3.56%	9.39%	3.38%	60.00%


KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 53.18
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	<i>Bid</i>	<i>Offer</i>
(As of Apr 30, 2014)	IDR 1,520.01	IDR 1,600.01
Bid-Offer Spread	: 5.00%	
Management Fee	: 2.00% p.a	

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced deflation in Apr at -0.02% mom (vs consensus -0.03%, inflation +0.08% in Mar) caused by lower food and jewelry prices. On yearly basis, inflation printed at 7.25% yoy (vs consensus 7.25%, 7.32% in Mar). Core inflation rose to 4.66% yoy (vs consensus 4.65%, 4.61% in Mar). 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 depreciated against USD by -1.12% to 11,532 at end of Apr compared to previous month 11,404. Trade balance was surplus US\$0.673bn in Mar (vs consensus surplus +US\$0.520bn, surplus US\$ 0.789bn in Feb). Surplus is supported by the increasing surplus in non-oil and gas balance of trade. Surplus in non-oil and gas balance of trade increased from US\$1.57bn in Feb 2014 to US\$2.05bn in Mar 2014. On the other hand, increase in balance of trade in Mar 2014 is constrained by the increasing deficit in oil and gas balance of trade. Deficit in oil and gas balance of trade increased from US\$0.73bn in Feb 2014 to US\$1.37bn in Mar 2014. Export increased by 1.24% YoY, while imports decreased by -2.30% YoY. Indonesia's Q1 2014 GDP expanded 5.21% yoy (vs consensus 5.59% yoy, 5.72% Q4 2013) on the back of slowed mining export mainly due to the implementation of mineral ore export ban.

IDR government bond yield closed mixed in Apr with short and medium tenor outperform long tenor. Positive sentiment came from comment by US Federal Reserve Chair Janet Yellen, that the Fed's moves to stimulate the economy would still be needed for some time, and S&P Stable affirmation outlook result on Indonesia at 'BB+/B'. Negative sentiment came from unexpected quick-count parliament election result (PDI-P the opposition, showed it had won, but fail to secure 20 percent of seats or 25 percent of the total vote to stand a presidential candidate (Joko Widodo) on their own without forming any political coalition), as well as IDR depreciation on the back of cyclical higher CAD in 2Q14. Offshore accounts increased their holding by IDR 16.09Tn in Apr 2014 (+4.46% mom), from IDR 360.91Tn as of March 28, 2014 to IDR 377Tn as of Apr 30, 2014, which brought their holding to 34.52% of total outstanding tradable government bond (from 33.64% in the previous month). The 5Y yield Apr was lower by -6bps to 7.64% (7.70% in March 2014), 10Y tenor lower by -3bps to 7.97% (8.00% in March 2014), 15Y tenor higher by +6bps to 8.44% (8.38% in March 2014) and 20Y tenor higher by +3bps to 8.57% (8.54% in March 2014).

Disclaimer:

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