

# Allisya Rupiah Fixed Income Fund

## March 2016

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

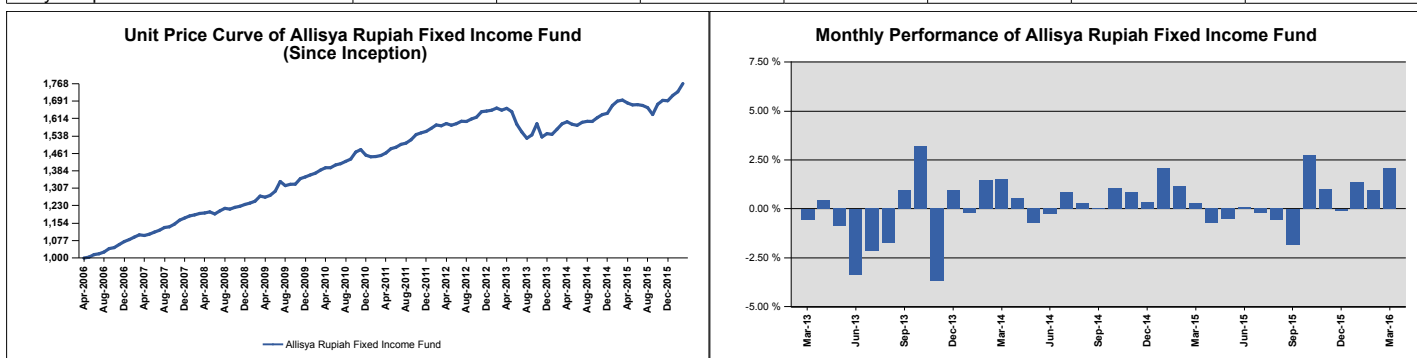
#### Return Performance

Last 1-year Period	<b>4.28%</b>
Best Month	<b>3.32%</b> Jul-09
Worst Month	<b>-3.68%</b> Nov-13

#### Portfolio Breakdown

Treasury Bonds	<b>85.40%</b>
Govt. Related Bond	<b>1.45%</b>
Sharia Cash/Deposit	<b>13.15%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Fixed Income Fund	<b>2.07%</b>	<b>4.46%</b>	<b>8.34%</b>	<b>4.28%</b>	<b>7.08%</b>	<b>4.46%</b>	<b>76.79%</b>



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 65.84
<b>Risk Profile</b>	: Moderate
<b>Launch Date</b>	: 25 Apr 2006
<b>Fund Currency</b>	: Indonesian Rupiah
<b>Managed by</b>	: PT Asuransi Allianz Life Indonesia

<b>Pricing Frequency</b>	: Daily
<b>Price per Unit (As of Mar 31, 2016)</b>	: IDR 1,679.53
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a.
	<b>Bid Offer</b>
	IDR 1,676.93

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced March's inflation at 0.19% mom (vs consensus 0.25%, -0.09% in Feb 2016) mostly were caused by higher food ingredients, processed food, beverages, cigarettes and tobacco prices. On yearly basis, inflation printed at 4.45% YoY (vs consensus 4.5%, 4.42% in Feb 2016). Core inflation printed at +3.50% YoY, slightly lower from previous month (vs consensus 3.57%, +3.59% in Feb 2016). In the Board of Governors' Meeting on Mar 17th, 2016, Bank Indonesia cut its reference rate by 25bps to 6.75%, Lending Facility to 7.25% as well as facility rate (FASBI) to 4.75%. Indonesia Deposit Insurance Corporation (LPS) lower the guarantee rate by 25bps to 7.25% for Rupiah and 1.00% for other currencies and effective on 15 January 2016 to 14 May 2016 on the back of macro economy indicators and banks liquidity in general seems continues to improving. Rupiah appreciated against USD by +0.89% to 13,276 at end of February compared to previous month 13,395. Trade balance was surplus +1.14bn USD (non-oil and gas surplus +1.14bn USD) in Feb 2016. Export decreased by -7.18% YoY mostly driven from export in mineral gas, while imports decreased by -11.71% YoY. X Reserves increased +2.999bn USD from 104.544bn USD in Feb 2016 to 107.543bn USD in Mar 2016 on the back of offshore inflow to the bond market.

IDR government bond yields closed lower all across the curve in Mar 2016 on the back offshore inflows. Positive sentiment came from better than consensus Feb trade surplus data, dovish Fed statement and BI decision to cut reference rate by 25bps. ECB stimulus decision to cut its main interest rate and bank deposit rate gave positive sentiment to the market and triggered further buying action. Some profit taking action occurred oftenly but still failed to block the strong rally movement. After a cumulative 75bps cut in interest rate instruments and 150bps cut in reserve requirement ratio since January, the central bank reported limited policy transmission. Average deposit rates decreased by only 7bps while lending rates declined by 4bps. Although both deposit and credit growth remains on downward paths, the slowdown in deposit growth was steeper. MoF planned to issue IDR 106Tn of bonds in 2nd quarter 2016. Offshore accounts increased their holding by IDR 18.3Tn in Mar 2016 (+3.11% MoM), from IDR 587.78Tn as of Feb 2016 to IDR 606.08Tn as of Mar 2016, which brought their holding to 38.48% of total outstanding tradable government bond (from 38.98% in the previous month). The 5Y yield Mar 2016 was lower by -55bps to 7.41% (7.96% in Feb 2016), 10Y tenor lower by -55bps to 7.70% (8.25% in Feb 2016), 15Y tenor lower by -44bps to 8.18% (8.62% in Feb 2016) and 20Y tenor lower by -47bps to 8.18% (8.65% in Feb 2016).

#### Disclaimer:

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