

# Allisya Rupiah Fixed Income Fund

## May 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

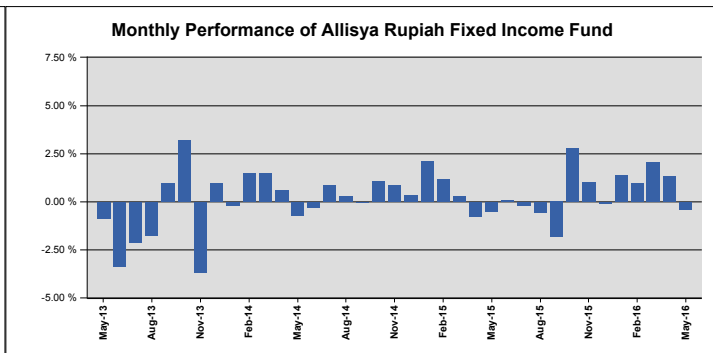
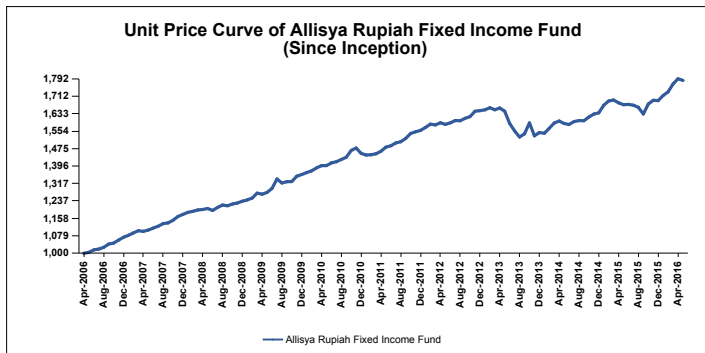
#### Return Performance

Last 1-year Period	<b>6.57%</b>
Best Month	<b>3.32%</b> Jul-09
Worst Month	<b>-3.68%</b> Nov-13

#### Portfolio Breakdown

Treasury Bonds	<b>89.01%</b>
Govt. Related Bond	<b>1.46%</b>
Sharia Cash/Deposit	<b>9.52%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Fixed Income Fund	<b>-0.42%</b>	<b>3.01%</b>	<b>5.32%</b>	<b>6.57%</b>	<b>8.50%</b>	<b>5.42%</b>	<b>78.42%</b>



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 65.68
<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 May 31, 2016)</b>	<b>Bid</b> : IDR 1,694.96
	<b>Offer</b> : IDR 1,784.17
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a.

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced May's inflation at 0.24% mom (vs consensus 0.2%, deflation 0.45% in Apr 2016) mostly were caused by higher food ingredients, process food and beverages prices. On yearly basis, inflation printed at 3.33% YoY (vs consensus 3.30%, 3.60% in Apr 2016). Core inflation printed at 3.41% YoY, unchanged from previous month (vs 3.41% in Apr 2016). In the Board of Governors' Meeting on May 19th, 2016, Bank Indonesia maintained its reference rate at 6.75%, Lending Facility at 7.25% as well as facility rate (FASBI) at 4.75%. LPS (Deposit Insurance Corporation for banks) announced to cut the insurance rate from 7.25% to 7.00% for period of 15 May 2016 to 14 September 2016. Rupiah depreciated against USD by -3.11% to 13,615 at end of May compared to previous month 13,204. Trade balance was surplus +0.67bn USD (non-oil and gas surplus +1.14bn USD, oil and gas deficit -0.47bn USD) in Apr 2016. Export decreased by -12.65% YoY mostly driven from export in jewelry, while imports decreased by -14.62% YoY. FX Reserves decreased 4.11bn USD from 107.71bn USD in April 2016 to 103.6 USD in May 2016 due to seasonally higher FX demand for payment needs, external govt debt payments and efforts to stabilize rupiah in line with fundamentals.

IDR government bond yields closed higher all across the curve in May 2016 on the back of market sell-off. Negative sentiment came from US FOMC minutes released which indicates higher probability that Fed will increase rate again in June 2016 and lower than expected Indonesia 1Q16 GDP result. Positive news came from Indonesia Government plan to abolish the tax on government bonds, however still needs to go to parliament first as well as expectation of Indonesia rating upgrade from S&P. From the political news, Golkar party regarding their decision to exit from opposition coalition gave positive sentiment the market. The government plans to eliminate taxes on discounted bonds both IDR and foreign denominated bonds. The plan will be included in the revision of Act (UU) No. 36/2008 on Income Tax (Pph). In the Government Regulation (PP) No. 16/2009 sets 2 types of taxes for bonds, they are:

1. 15% for domestic taxpayers and permanent establishments. While the final tax rate for govt bonds as mutual funds' underlying asset is applied in stages: 0% for 2009 to 2010; 5% for 2011-2020, 10% for 2021 onwards
2. 20% for offshore taxpayers those are non-permanent establishment entity.

Offshore accounts decreased their holding by IDR 4.21Tn in Apr 2016 (-0.67% MoM), from IDR 626.17Tn as of Apr 2016 to IDR 621.96Tn as of May 2016, which brought their holding to 38.28% of total outstanding tradable government bond (from 38.85% in the previous month). The 5Y yield May 2016 was higher by +11bps to 7.58% (7.47% in Apr 2016), 10Y tenor higher by +12bps to 7.87% (7.75% in Apr 2016), 15Y tenor higher by +15bps to 8.05% (7.90% in Apr 2016) and 20Y tenor higher by +16bps to 8.07% (7.91% in Apr 2016).

#### Disclaimer:

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