

# AlliSya Rupiah Balanced Fund

## July 2015


**BLOOMBERG: AZSRPBL:IJ**
**INVESTMENT OBJECTIVE**

The objective of this fund is to achieve conservative long term capital growth while earning relatively stable income.

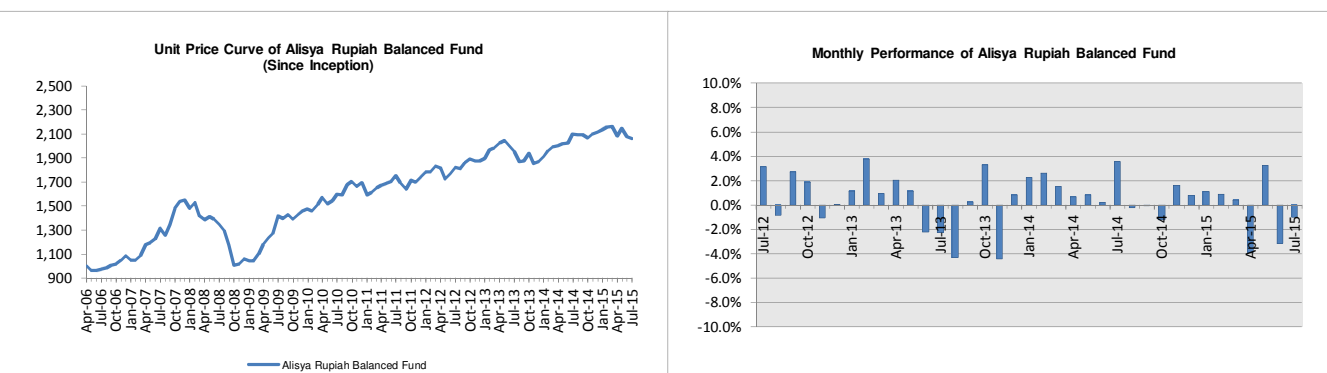
**INVESTMENT STRATEGY**

To achieve the investment objectives, this fund shall be invested with a target of 7.5% in short term sharia instruments (such as deposits of sharia, sharia SBI, sharia SPN, and / or money market mutual funds), 40% in medium or long term sharia instruments (such as sharia bonds, sharia corporate bonds and / or sharia fixed income mutual funds), and 52.5% in the sharia based equity instruments in accordance to OJK's decision (either directly through sharia stocks or through sharia equity mutual funds).

**PERFORMANCE INDICATOR**

Return Performance		Portfolio Breakdown	Top Holding Bonds	Top Five Stocks Holding	
Last 1-year period	-1.81%	Equity	52.63% PROJECT BASED SUKUK 001	3.65% UNILEVER INDONESIA	9.27%
Best Month	10.95% Jul-09	Treasury Bonds	14.55% SUKUK NEGARA IFR001	3.24% TELEKOMUNIKASI	8.73%
Worst Month	-14.39% Oct-08	Govt. Related Bonds	0.60% SUKUK RETAIL 004	3.09% ASTRA INTERNATIONAL	7.47%
		Mutual Fund Fixed Income	2.98% SUKUK RETAIL 005	1.74% PERUSAHAAN GAS NEGARA	2.80%
		Cash/Deposit Sharia	29.24% PROJECT BASED SUKUK 002	1.37% KALBE FARMA	2.19%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Balanced Fund	-1.01%	-1.03%	-3.69%	-1.81%	12.86%	-2.64%	105.88%


**KEY FUND FACTS**

Fund Size (in bn IDR)	: IDR 485.48
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 (As of July 31, 2015)	: IDR 1,955.85
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a

**MANAGER COMMENTARY**

Central Bureau Statistics of Indonesia (BPS) announced July's inflation at 0.93% mom (vs consensus 0.74%, inflation 0.54% in Jun 2015) which mostly were caused by higher food ingredients, processed food, beverages, tobacco prices and transportation cost during the fasting month and Hari Raya. On yearly basis, inflation printed steady at 7.26% YoY (vs consensus 7.06%, 7.26% in June 2015). Core inflation printed at 4.86% YoY, lower compared to previous month (vs consensus 5.00%, 5.04% in Jun 2015). In the Board of Governors' Meeting on Jul 14th, 2015, Bank Indonesia maintained its reference rate at 7.50%, Lending Facility at 8.0%, and also facility rate (FASBI) to 5.50%. Rupiah depreciated against USD by -1.12% to 13,481 at end of Jul compared to previous month 13,332. Indonesia economic growth in second quarter 2015 eased to 4.67% YoY compared to previous quarter at 4.71% YoY. The major driven of the slowdown was the fixed investment and the government spending. Trade balance was surplus +0.47bn USD (non-oil and gas surplus 1.59bn, oil and gas deficit 1.12bn USD) in Jun 2015. Export decreased by -12.78% YoY mostly driven from export in natural oil, while imports decreased -17.42% YoY. FX Reserves decreased -0.48bn USD from 108.03bn USD in June 2015 to 107.55bn USD in July 2015 on the back of Government foreign debt payments and the use of foreign exchange to stabilize the IDR exchange rate.

IDR government bond yields curve steepened in Jul 2015 on the back of market risk-off due to negative global sentiment such as triggered by Greece referendum result and slumped in Chinese stock market. Profit taking emerged post Greece deal news and continued slowing down ahead Idul Fitri holiday as everyone stayed on the side line and don't want to take any risk. Rupiah depreciation also gave negative sentiment to the market. Financial Minister statement that the government will not increase the sales of local bonds gave positive sentiment to the market and expected will continue bullish due to favorable supply. Greece vote NO on the referendum (Sunday, Jul 5). Market projected probability of a Grexit will increase to 75% from 33% and there is only a one in three chance of a Grexit turning into a systemic crisis (i.e. a 25% overall). In fact, Greece reached an agreement with its creditors over the reforms needed to start talks for a third bailout in five years and remain in the euro. Offshore accounts decreased their holding by IDR 3.90Tn in Jul 2015 (-0.73% MoM), from IDR 537.53Tn as of Jun 30, 2015 to IDR 533.63Tn as of Jul 31, 2015, which brought their holding to 38.96% of total outstanding tradable government bond (from 39.63% in the previous month). The 5Y yield Jul was higher by +14bps to 8.43% (8.29% in Jun 2015), 10Y tenor higher by +22bps to 8.57% (8.35% in Jun 2015), 15Y tenor higher by +34bps to 8.82% (8.48% in Jun 2015) and 20Y tenor higher by +36bps to 8.85% (8.49% in Jun 2015).

The JII (Jakarta Islamic Index) ended lower in July at 641.97, falling -2.29% MoM. Large cap stocks such as ASII, SMGR, PGAS, INCO, and ADRO contributed to the MoM decline, all of which fell by -6.01%, -15.83%, -7.30%, -27.68%, and -22.37% MoM respectively. Broad market continued to be weaker in July as investors sold off Emerging Market which was triggered by the concerns of slowing Chinese consumption. On a more local front, 2Q15 results were weak in general. Given the fact that most investors had already anticipated the weak 2Q15 result announcement and that most investors had a relatively high cash levels, the sell-off was not as severe as the post weak 1Q15 announcements. On the government spending front we anticipate an accelerated government spending in 2H15 which in turn will help overall system liquidity, which then would lead to demand recovery. Looking ahead, the government's 2016 budget proposal during mid-August will provide more clarity on the domestic economy's medium-term direction. Sector wise, the Mining Sector was the worst performing sector this month, falling by -12.65% MoM. ANTM (Aneka Tambang) and PTBA (Tambang Batubara Bukit Asam) were the laggards; falling by -30.15% and -28.57% MoM respectively. This was followed by the Basic Industry Sector that posted -5.96% MoM losses, contributed by SMGR (Semen Gresik) and INTP (Indocement) which fell -15.83% and -4.07% MoM respectively. On the other hand, Consumer sector was the best performing sector this month, which grew +1.71%. KLB (Kalbe Farma) and UNVR (Unilever) were the movers which rose +4.18% and +1.27% MoM respectively.

**Disclaimer:**

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