

Allsya Rupiah Balanced Fund

May 2017



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

Last 1-year Period **8.14%**
 Best Month **10.95%** Jul-09
 Worst Month **-14.39%** Oct-08

Portfolio Breakdown

Equity **52.19%**PBS012
 Treasury Bonds **31.52%**PBS011
 Govt. Related Bond **0.37%**PBS001
 Mutual Funds - Bonds **2.87%**PBS002
 Sharia Cash/Deposit **13.05%**PBS004

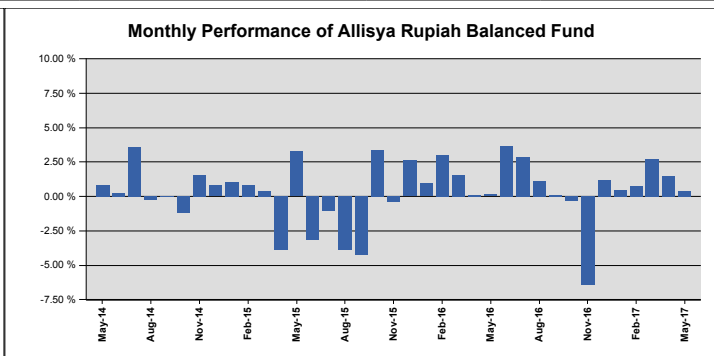
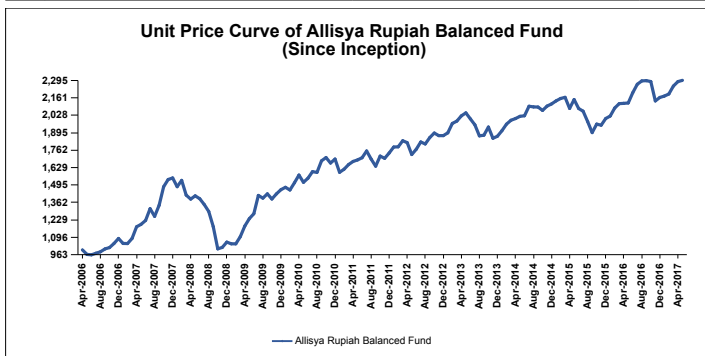
Top Five Bonds Holding

52.19%PBS012
31.52%PBS011
0.37%PBS001
2.87%PBS002
13.05%PBS004

Top Five Stocks Holding

18.86% Telekomunikasi Indonesia **11.26%**
5.98% Astra International **9.22%**
3.57% Unilever Indonesia **8.26%**
1.38% United Tractors **2.49%**
0.74% Indofood CBP Sukses Makmur **2.34%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allsya Rupiah Balanced Fund	0.43%	4.76%	7.35%	8.14%	13.60%	6.04%	129.46%



KEY FUND FACTS

Fund Size (in bn IDR) : IDR 538.79
Risk Profile : Moderate
Launch Date : 25 Apr 2006
Fund Currency : Indonesian Rupiah
Managed by : PT Asuransi Allianz Life Indonesia

Pricing Frequency : Daily
Price per Unit (As of May 31, 2017) : **Bid** IDR 2,179.83 **Offer** IDR 2,294.56
Bid-Offer Spread : 5.00%
Management Fee : 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced May 2017 inflation at +0.39% mom (vs consensus 0.38%, 0.09% in Apr 2017). On yearly basis, inflation was higher to +4.33%yoy (vs consensus 4.31%, 4.17% in Apr 2017). Core inflation was printed at +3.20% yoy (vs consensus 3.30%, 3.28% in Apr 2017). Higher inflation was due to higher food prices on lead to and on fasting month. In the Board of Governors' Meeting on 17-18 May 2017, Bank Indonesia maintained the BI 7-day (Reverse) Repo Rate (BI-7 day RR Rate) at 4.75%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.00% and 5.50% respectively. Rupiah appreciated by +0.05% to 13,321/USD at end of May 2017 from 13,327/USD in previous month. April trade balance was surplus \$1.238bn (vs consensus \$0.946bn, \$1.234bn prior), with import rose 10.31% yoy (vs last 18.19%) and export rose 12.63% yoy (from before 23.55%). Indonesia's foreign reserves increased \$1.703bn to \$124.953bn in May 2017 from \$123.25bn in Apr 2017. The increase was primarily attributable to foreign exchange receipts, among other from tax revenues and government oil & gas export proceeds, as well as auction of Bank Indonesia foreign exchange bills. S&P upgraded Indonesia rating to BBB-/stable from BB+/positive on the back of improvement in the budget. "The government's new focus on realistic budgeting has lowered the risks that budget deficits will widen significantly when government revenue disappoints," S & P said.

IDR government bond yields closed mixed across the curve in May 2017 with slightly higher yield in short tenor and lower yield in middle to long tenor. Bond market started in quiet tone despite news of winning Macron in French election. Negative sentiment came from news of former Jakarta Governor Ahok sentenced 2 years in jail for blasphemy, and global risk-off on US political situation. Positive sentiment came from S&P upgraded Indonesia rating to investment grade, causing huge demand in auction on last May 23th. Indonesia sold Islamic bonds to hajj fund in private placement, on June 2, 2017 with the nominal of issuance IDR300bn. The issuance consists of one series tradable Sukuk Negara, which is PBS-009, with coupon fixed 7.75% per annum, and yield 5.85%. Offshore accounts increased their holding by IDR +10.33tn in May 2017 (+1.39% MoM), from IDR 745.82tn as of Apr 2017 to IDR 756.15tn as of May 2017, which brought their holding to 39.15% of total outstanding tradable government bond (from 39.10% in the previous month). The 5Y yield May 2017 ended +2bps higher to 6.71% (6.69% in Apr 2017), 10Y tenor ended -10bps lower to 6.95% (7.05% in Apr 2017), 15Y tenor ended -5bps lower to 7.40% (7.45% in Apr 2017) and 20Y tenor ended -10bps lower to 7.62% (7.72% in Apr 2017).

The JAKISL Index ended the month lower at 733.69 (-0.61% MoM). Market laggards were ASII, ADRO, PTBA, EXCL, and CTRA as they fell -2.23%, -14.37%, -14%, -7.79% and -12.5% MoM respectively. Index broke thru all-time high in May on the back of S&P raised Indonesia's long-term sovereign credit rating to investment grade BBB-. Indonesia's Fiscal Reform became the key factor driver on the rating upgrade. Investors, foreign in particular, reacted positively as the rating upgrade could drive further capital inflows and lower credit cost will reflect to better economic growth for both the public and private sectors. While we remain constructive on the Indonesian economy as a whole over the longer term, equity markets remains on the rich side in terms of valuation. Potential further social disruption and political instability will increase risk aversion to the market in the short to medium term. Sector wise, the Mining Sector was the worst performing sector during the week, declining 8.63% MoM. Ticker wise, ADRO (Adaro Energy) and INCO (Vale Indonesia) were the laggards, depreciating 14.37% and 14.19% MoM respectively. This was followed by the Construction, Property and Real Estate Sector which dropped 2.69% MoM. Ticker wise, LPKR (Lippo Karawaci) and PPRO (PP Properti) posted 13.92% and 13.64% MoM losses respectively. On the other hand, the best sector during the week was the Consumer Sector, which recorded a gain of 3.42% MoM. Ticker wise, INDF (Indofood Sukses Makmur) and UNVR (Unilever Indonesia) were the movers which rose 4.48% and 3.76% MoM respectively.

Disclaimer:

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