

Allisia Rupiah Balanced Fund

January 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	7.54%
Best Month	10.95% Jul-09
Worst Month	-14.39% Oct-08

Portfolio Breakdown

Equity	52.57% PBS012
Treasury Bonds	32.53% PBS011
Govt. Related Bond	0.38% PBS001
Mutual Funds - Bonds	2.94% PBS002
Sharia Cash/Deposit	11.58% PBS004

Top Five Bonds Holding

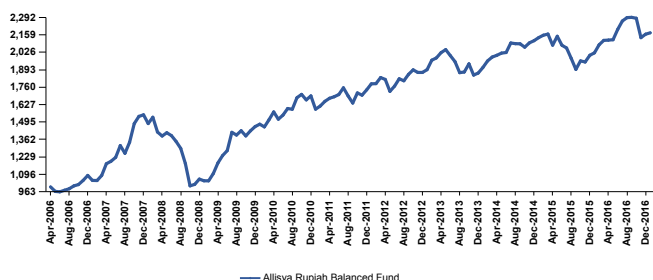
52.57% PBS012
32.53% PBS011
0.38% PBS001
2.94% PBS002
11.58% PBS004

Top Five Stocks Holding

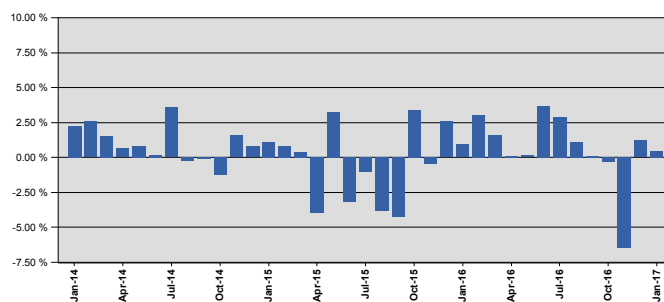
19.18% Telekomunikasi Indonesia	10.73%
6.11% Astra International	8.40%
3.70% Unilever Indonesia	8.39%
1.41% United Tractors	2.42%
0.74% Indofood CBP Sukses Makmur	2.37%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisia Rupiah Balanced Fund	0.49%	-4.85%	-3.97%	7.54%	13.84%	0.49%	117.45%

Unit Price Curve of Allisia Rupiah Balanced Fund (Since Inception)



Monthly Performance of Allisia Rupiah Balanced Fund



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 511.58
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 Jan 31, 2017)	: IDR 2,065.76
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.
	Bid
	Offer
	: IDR 2,174.48

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Jan 2017 inflation at 0.97% mom (vs +0.42% in Dec 2016), mostly was caused by higher vehicle registration fee and electricity tariff. On yearly basis, inflation was higher to 3.49% YoY (vs consensus 3.20%, 3.02% in Dec 2016). Core inflation printed at 3.35% YoY, higher from previous month (vs consensus 3.12%, 3.07% in Dec 2016). In the Board of Governors' Meeting on 18-19 Jan 2017, Bank Indonesia maintained the 7-day reverse repo rate at 4.75%, also Deposit Facility (DF) at 4.00% and Lending Facility (LF) at 5.50%. Rupiah appreciated by +0.69% to 13,343/USD at end of Jan 2017 as opposed to 13,436/USD previous month. Trade balance booked a surplus of +US\$0.992bn (non-oil and gas surplus +US\$1.448bn, oil and gas deficit US\$-0.456bn) in Dec 2016. Export rose by +15.57% YoY mostly driven by mineral fuel exports, while imports rose by +5.82% YoY. Indonesia's gross domestic product (GDP) growth in Q4 2016 was at -1.77% qoq (vs consensus -1.80%, 3.20% last quarter), however expanded 5.02% yoy in FY2016 (vs consensus 5.02%, 4.88% FY2015).

IDR government bond yields closed lower all across the curve in Jan 2017 on the back of offshore inflows post hawkish tone from the Fed. Strong bid reflected as well on every auction that MoF held in Jan 2017. Positive sentiment came from domestic data of Dec FX reserved which the highest since April 2012 and above expectation Dec Trade Balance. However, cautious tone still in the air due the uncertainty condition of Trump's policy; most players preferred to shorten their duration. Offshore accounts increased their holding by IDR +19.7tn in Jan 2017 (+2.96% MoM), from IDR 665.81tn as of Dec 2016 to IDR 685.51tn as of Jan 2017, which brought their holding to 37.85% of total outstanding tradable government bond (from 37.55% in the previous month). The 5Y yield Jan 2017 ended -29bps lower to 7.29% (7.58% in Dec 2016), 10Y tenor ended -32bps lower to 7.65% (7.97% in Dec 2016), 15Y tenor ended -21bps lower to 7.99% (8.20% in Dec 2016) and 20Y tenor ended -2bps lower to 8.18% (8.20% in Dec 2016).

The JII (Jakarta Islamic Index) closed lower in January at 689.32, losing -0.69% MoM. Large cap stocks such as ASII, TLKM, INCO, KLBF, and ANTM contributed to the MoM loss, all of which fell by -3.93%, -2.76%, -15.96%, -4.29%, and -10.61% MoM respectively. Stock market continued to stay relatively flat given the lack of positive catalysts. Foreign flows dominated where US\$37mn of outflows were recorded in Jan-17 as a reflection of rising political concerns as we head towards the Jakarta governor elections which will be held on the 15th Feb. Despite a recovery in incumbent Ahok's popularity, there are no indications that any candidate will surpass the >50% threshold to win outright in the first round on 15 Feb. Current polls suggest Ahok will progress to a second round and the election campaign period is likely to continue through mid-April 2017, which will increase the risk of further political tension during 1Q17. On the monetary front, BI maintained its benchmark policy rate given potential external volatility and rising inflation risk due to higher electricity and issuance of new vehicle licenses tariff. We would expect market volatility to remain relatively high in the near term. Sector wise, the Miscellaneous Industry Sector was the worst performing sector this month, depreciating by -3.43% MoM. ASII (Astra International) was the laggards; losing by -3.93% MoM. This was followed by the Infrastructure Sector that posted -0.43% MoM losses, driven by TLKM (Telekomunikasi Indonesia) which lost -2.76% MoM. On the other side, Agriculture Sector was the best performing sector this month, gaining by +4.50% MoM. SSMS (Sawit Sumbermas) was the movers, rising +15.71% MoM respectively.

Disclaimer:

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