

# Allisya Rupiah Balanced Fund

## July 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 **2.64%**  
 Best Month **10.95%** Jul-09  
 Worst Month **-14.39%** Oct-08

#### Portfolio Breakdown

Equity **52.25%**PBS012  
 Treasury Bonds **31.63%**PBS011  
 Govt. Related Bond **0.37%**PBS001  
 Mutual Funds - Bonds **2.85%**PBS002  
 Sharia Cash/Deposit **12.90%**PBS004

#### Top Five Bonds Holding

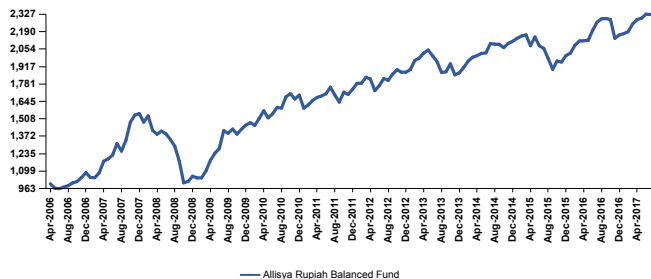
**18.73%**PBS012  
**5.90%**PBS011  
**0.37%**PBS001  
**2.85%**PBS002  
**12.90%**PBS004

#### Top Five Stocks Holding

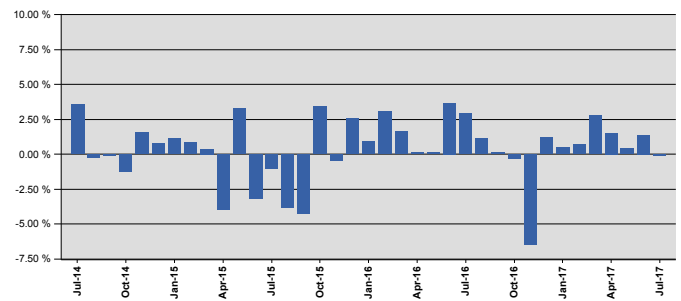
**11.44%** Telekomunikasi Indonesia  
**8.95%** Unilever Indonesia  
**8.19%** Astra International  
**2.82%** United Tractors  
**2.27%** Indofood CBP Sukses Makmur

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	-0.11%	1.72%	6.88%	2.64%	10.84%	7.41%	132.42%

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



Monthly Performance of Allisya Rupiah Balanced Fund



### KEY FUND FACTS

**Fund Size (in bn IDR)** : IDR 544.39  
**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 Jul 31, 2017)** : **Bid** IDR 2,207.95 **Offer** IDR 2,324.16  
**Bid-Offer Spread** : 5.00%  
**Management Fee** : 2.00% p.a.

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Jul 2017 inflation at 0.22% mom (vs consensus 0.19%, 0.69% in Jun 2017). On yearly basis, inflation was higher to +3.88%yoy (vs consensus 3.92%, 4.37% in Jun 2017). Core inflation was printed at +3.05% yoy (vs 3.13% in Jun 2017). Higher inflation was due to seasonally higher food, beverages, cigarettes and tobacco. In the Board of Governors' Meeting on 20 Jul 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 +0.03% to 13,323/USD at end of Jul 2017 from 13,319/USD in previous month. Trade balance booked a surplus of USD 1.63bn (non-oil and gas surplus USD 1.96bn, oil and gas deficit USD 0.33bn) in Jun 2017. Export down by -11.82% YoY mostly driven by animal fats and vegetable oil, while imports down by -17.21% YoY. Indonesia's foreign reserves increased USD 4.67bn to USD 127.76bn in Jul 2017 from USD 123.09bn in Jun 2017. The increase was primarily attributable to foreign exchange receipts, among other from global bond issuance, tax revenues, government oil and gas export proceeds, as well as auction of Bank Indonesia foreign exchange bills. Indonesia 2Q 2017 GDP unchanged 5.01% yoy, vs consensus 5.08% yoy, and from 5.01% yoy in Q1 2017. From production segment, higher growth reached by information and communication sector at 10.88%. From expense segment, higher growth reached by Consumption Expenditure of Non-Profit Institutions that Serving the Household that grew 8.49%.

IDR government bond yields closed higher across the curve in Jul 2017. Bond prices lower significantly in the first week mostly on the back of offshore outflow. Market also dragged down by global sell-off due to ECB meeting minutes that leaves the door open to reduce bond purchase as well as Hawkish tone from the FOMC minutes. However, some support still seen from both side onshore and offshore players in which driven by global positive sentiment on Yellens's remarks that Fed won't rush to end the era of cheap money. Indonesia's June trade balance results and Fitch's positive outlook affirmation on Indonesia also added positive sentiment. The House of Representatives approved the revised 2017 state budget at a plenary session on Jul 27, which includes an increase of the deficit assumption from 2.41% to 2.92% (borderline approaching 3% limit), or equivalent to additional IDR 70tn needed to fund the deficit. Offshore accounts increased their holding by IDR +4.99tn in Jul 2017 (+0.65% MoM), from IDR 770.55tn as of Jun 2017 to IDR 775.54tn as of Jul 2017, which brought their holding to 39.35% of total outstanding tradable government bond (from 39.47% in the previous month). The 5Y yield Jul 2017 ended +11bps higher to 6.78% (6.67% in Jun 2017), 10Y tenor ended +13bps higher to 6.95% (6.82% in Jun 2017), 15Y tenor ended +2bps higher to 7.39% (7.37% in Jun 2017) and 20Y tenor ended +8bps higher to 7.63% (7.55% in Jun 2017).

Jakarta Islamic Index (JII) ended the month lower at 748.37 (-0.16% MoM). Market laggards were ASII, ICBP, SMRA, LPPF, and CTRA as they fell -10.64%, -5.11%, -24.03%, -10.58% and -11.54% MoM respectively. Market continued to appreciate further during the month of July. Locals investors were defending large cap names while foreign investors took profit booking net outflow of approximately US\$97mn. On the macro side, BI indicates that 1H17 GDP will be at 5%, slightly below their previous guidance at 5.1% as they see weaknesses in manufacturing and retail sectors which is driven by 1) Late disbursement on civil servants 13th month salary and delay in spending power from commodity recovery outside Java, 2) higher electricity tariff which affects the mid-to-low class and 3) middle-upper-class income earners cut their consumption as savings rate evidently was on the uptrend recently. According to Nielsen data, retail sales growth was only at 3.7% YoY during 1H17 and 2Q17 performance was lower with 3.5% YoY vs. 3.9% YoY during 1Q17. Sales in Jun (during Ramadhan) only grew by 5%, much lower than multiple previous year growth of 10% average. Given weaker consumption growth along with current valuation of 16.5x FY17 P/E, a premium compared to 15.6x and 14.8x on 5 and 10 years P/E avg respectively, risk/reward is less compelling at this stage. Sector wise, the Miscellaneous Industry Sector was the worst performing sector during the week, falling -8.72% MoM. Ticker wise, ASII (Astra International) was the laggards, depreciating -10.64% MoM. This was followed by the Consumer Sector which fell -3.41% WoW. Ticker wise, ICBP (Indofood CBP) and INDF (Indofood) posted -5.11% and -2.62% MoM losses respectively. On the other hand, the best sector during the week was the Mining Sector, which recorded a gain of 5.56% MoM. Ticker wise, INCO (Vale Indonesia) and ADRO (Adaro Energy) were the movers which rose 30.81% and 12.97% MoM respectively.