

Allisya Rupiah Balanced Fund

March 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 **6.33%**
 Best Month **10.95%** Jul-09
 Worst Month **-14.39%** Oct-08

Portfolio Breakdown

Equity **53.20%**PBS012
 Treasury Bonds **32.41%**PBS011
 Govt. Related Bond **0.38%**PBS001
 Mutual Funds - Bonds **2.93%**PBS002
 Sharia Cash/Deposit **11.08%**PBS004

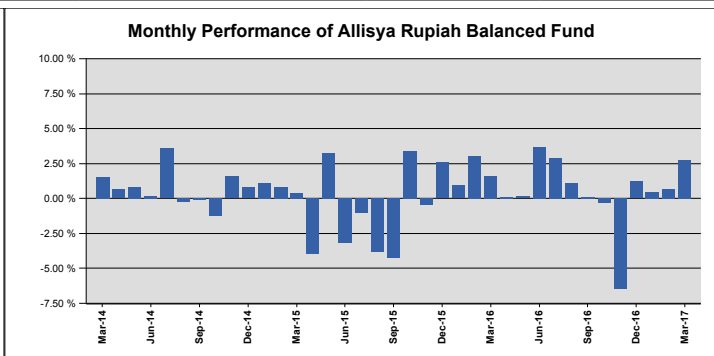
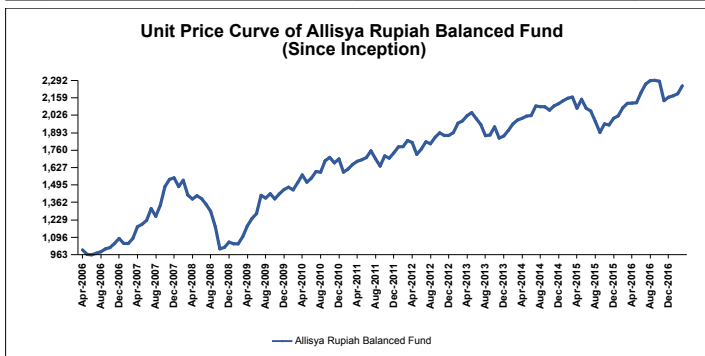
Top Five Bonds Holding

53.20%PBS012
32.41%PBS011
0.38%PBS001
2.93%PBS002
11.08%PBS004

Top Five Stocks Holding

19.20% Telekomunikasi Indonesia **10.96%**
6.06% Astra International **8.68%**
3.62% Unilever Indonesia **8.67%**
1.40% United Tractors **2.70%**
0.75% Indofood CBP Sukses Makmur **2.23%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	2.75%	4.01%	-1.82%	6.33%	13.11%	4.01%	125.07%



KEY FUND FACTS

Fund Size (in bn IDR) : IDR 527.87
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 Mar 31, 2017) : **Bid** IDR 2,138.12 **Offer** IDR 2,250.65
Bid-Offer Spread : 5.00%
Management Fee : 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Mar 2017 deflation at -0.02% mom (vs consensus +0.20%, +0.23% in Feb 2017), mostly was caused by lower food ingredients prices also transportation and communication tariff. On yearly basis, inflation was lower to +3.61% YoY (vs consensus +3.80%, +3.83% in Feb 2017). Core inflation printed at +3.30% YoY, lower than previous month at +3.41% YoY. In the Board of Governors' Meeting on 15-16 Mar 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 +0.19% to 13,321/USD at end of Mar 2017 as opposed to 13,347/USD previous month. Trade balance booked a surplus of +US\$1.32bn (non-oil and gas surplus USD 2.55bn, oil and gas deficit USD 1.23bn) in Feb 2017. Export rose by +11.16% YoY mostly driven by jewelry exports, while imports rose by +10.61% YoY. FX Reserves rose by USD 1.9bn from USD 119.9bn in Feb 2017 to USD 121.8bn in Mar 2017 on the back of oil and gas export, government foreign loan drawdown also income from foreign currency BI Securities (SBBi).

IDR government bond yields closed lower all across the curve in March 2017 on the back of offshore inflows. Market rally occurred since the first week especially after news that Japan Credit Rating (JCR) Agency upgrade outlook on Indonesia's rating from stable to positive and the expectation that S&P will upgrade Indonesia to investment grade this year. Furthermore, The Fed's dovish tone gave positive sentiment to the market following up the The US Federal Reserve hiked the fed funds rate by 25bp as expected on March 15. While from domestic side, the downsized issuance by the government in the second week auction also brought positive impact to the secondary market as players craved for additional size. MoF said that the government plans to raise 45.7% of this year's gross local bond sale in H1, and 59.3% of total bond sales (including foreign currency bonds) over the same period; and the gross issuance target for 2017 is IDR 684.84tn. The government also held debt switch on March 23 and resulted in IDR1.973tn incoming offers for 1-4yr tenors and swapped IDR1.253tn for destination bond of 5yr FR61 at 100.4 (6.9%). Offshore accounts increased their holding by IDR +31.33tn in Mar 2017 (+4.53% MoM), from IDR 691.89tn as of Feb 2017 to IDR 723.22tn as of Mar 2017, which brought their holding to 38.24% of total outstanding tradable government bond (from 37.47% in the previous month). The 5Y yield Mar 2017 ended -43bps lower to 6.85% (7.28% in Feb 2017), 10Y tenor ended -49bps lower to 7.04% (7.53% in Feb 2017), 15Y tenor ended -43bps lower to 7.43% (7.86% in Feb 2017) and 20Y tenor ended -44bps lower to 7.68% (8.12% in Feb 2017).

The JII (Jakarta Islamic Index) closed higher in March at 718.35, gaining +2.90% MoM. Large cap stocks such as TLKM, ASII, UNVR, UNTR, and INTIP contributed to the MoM gain, all of which rose by +7.27%, +5.18%, +2.73%, +7.51% and +9.57% MoM respectively. Despite an improvement in Indonesia's macro economy, achieving S&P's investment grade status remains elusive despite Fitch and Moody having listed Indonesia into investment grade years ago. In recent weeks, the prospect of an S&P upgrade in May re-emerged, enticed by significant foreign inflow of US\$785mn in the equity market. The upgrade would lead to a lowering both risk free and premium, which would result in higher equity value. However, we expect market volatility will be higher in short term on the back of tax law enforcement post tax amnesty period which ends in Mar-17 and secondly the outcome of Jakarta elections on 19 Apr. Sector wise, the Mining Sector was the best performing sector this month, appreciating by +6.63% MoM. PTBA (Bukit Asam) and ADRO (Adaro Energy) were the movers; gaining by +18.12% and +3.24% MoM respectively. This was followed by the Basic Industry Sector that posted +5.35% MoM gains, driven by INTIP (Indocement) which rose +9.57% MoM. On the flip side, Property and Construction Sector was the worst performing sector this month, losing by -1.29% MoM. WSKT (Waskita Karya) and PTPP (Pembangunan Perumahan) were the laggards, falling -4.44% and -4.89% MoM respectively.

Disclaimer:

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