

Allisya Rupiah Balanced Fund

December 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	11.68%
Best Month	10.95% Jul-09
Worst Month	-14.39% Oct-08

Portfolio Breakdown

Equity
Treasury Bonds
Govt. Related Bond
Sharia Cash/Deposit

Top Five Bonds Holding

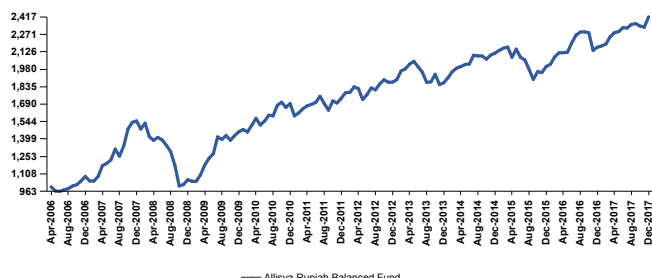
52.58% PBS012
32.17% PBS011
0.37% PBS001
14.88% PBS002
PBS004

Top Five Stocks Holding

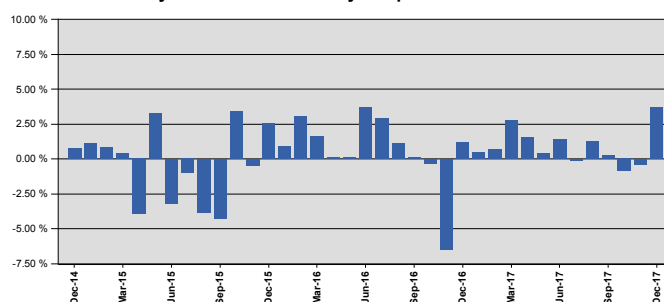
19.33% Telekomunikasi Indonesia	10.27%
6.02% Unilever Indonesia	9.24%
3.51% Astra International	7.72%
1.39% United Tractors	3.24%
0.76% Chandra Asri Petrochemical	2.47%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	3.68%	2.37%	3.87%	11.68%	14.29%	11.68%	141.66%

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 557.00
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	Bid	Offer
(As of Dec 29, 2017)	: IDR 2,295.81	IDR 2,416.64
Bid-Offer Spread	: 5.00%	
Management Fee	: 2.00% p.a.	

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Dec 2017 inflation at +0.71% mom (vs consensus inflation +0.45%, +0.20% in Nov 2017). On yearly basis, inflation was higher to +3.61%yoy (vs consensus inflation +3.35%, +3.30% in Nov 2017). Core inflation was printed at +2.95%yoy (vs consensus inflation +3.07%, +3.05% in Nov 2017). The increasing inflation is primarily attributable to inflation of volatile food group and administered prices group amidst the low core inflation. In the Board of Governors' Meeting on 14 Dec 2017, Bank Indonesia maintained the BI 7-day Reverse Repo Rate at 4.25%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 3.50% and 5.00% respectively. Rupiah depreciated by -0.25% to 13,548/USD at end of Dec 2017 from 13,514/USD in previous month. Trade balance booked surplus of USD 0.13bn (non-oil and gas surplus USD 1.27bn, oil and gas deficit USD 0.96bn) in Nov 2017. Export rose by +13.18% YoY mostly driven by animal fats and vegetable oil, while imports rose by +19.62% YoY. Indonesia's foreign exchange reserve in Dec 2017 reached the highest recorded in 2017 at USD130bn. This significant increase in foreign exchange reserves from Nov 2017 (USD125.97bn) and Dec 2016 (USD116.4bn) is attributed to the issuance of Global Bonds, which was used for 2018 pre-funding that reached USD4bn.

IDR government bond yields closed lower across the curve in Dec 2017 on the first and second week the back of foreign buying following the rating upgrade by Fitch after the credit rating agency upgraded Philippines to BBB (stable outlook). Market then went unchanged at the last working week of the year. Fitch Ratings (Fitch) upgrades the Sovereign Credit Rating of the Republic of Indonesia from BBB-/ Positive Outlook to BBB/Stable Outlook as announced on Dec 20th, 2017. On Friday, Dec 29, 2017, Ministry of Finance has issued Government Debt Securities through Private Placement method with the total amount of IDR10.10729tn. It consists of one series of treasury bills (SPN), with the series is SPNNT20180328. Ministry of Finance announced that total gross issuance in 2018 will be around IDR 846tn. Offshore accounts increased their holding by IDR 5.34tn in Nov 2017 (+0.64% MoM), from IDR 830.81tn as of Nov 2017 to IDR 836.15tn as of Dec 2017, which brought their holding to 39.82% of total outstanding tradable government bond (from 39.28% in the previous month). The 5Y yield Dec 2017 ended -10bps lower to 5.98% (6.08% in Nov 2017), 10Y tenor ended -18bps lower to 6.34% (6.52% in Nov 2017), 15Y tenor ended -12bps lower to 6.94% (7.06% in Nov 2017) and 20Y tenor ended -11bps lower to 7.09% (7.20% in Nov 2017).

The JAKISL Index ended the month higher at 759.07 (+6.36% MoM). Market movers were UNVR, TLKM, ASII, TPIA, and UNTR as they rose 13.39%, 6.99%, 4.08%, 9.59% and 5.67% MoM respectively. The index closed the year end with the new record high, which supported by some degree of window dressing as well as positive sentiment as Fitch upgrade Indonesia's credit rating to BBB/Stable Outlook, which was the highest rating Indonesia has gotten since 1995. On the macro side, there was a positive trend from Indonesia's trade balance as well as the government making a bold statement to manage its 2017 fiscal budget deficit at 2.6%. These have resulted in a positive sentiment towards investors in general and contributed positively in regards to foreign money inflow. Looking ahead into 2018, household consumption is expected to improve going forward as regional election spending will increase Indonesia's money supply in 2018. Particularly within the grassroots level. Despite topish valuation for Indonesia, so is most parts of the world generally speaking. That being said Indonesia's broad market EPS growth still offers a relatively better buffer relative to its regional peers. Sector wise, the Consumer Sector was the best performing sector during the week, gaining 11.76% WoW. Ticker wise, UNVR (Unilever Indonesia) and KLBF (Kalbe Farma) were the movers, appreciating 13.39% and 5.62% MoM respectively. This was followed by the Basic Industry Sector which rallied 9.38% MoM. Ticker wise, TPIA (Chandra Asri Petrochemical) and SMGR (Semen Indonesia Persero) posted 9.59% and 5.32% MoM gains respectively. On the other hand, the worst sector during the week was the Agriculture Sector, which recorded a decline of 4.54% MoM. Ticker wise, AALI (Astra Agro Lestari) was the laggards which fell 5.05% MoM.