

Allisya Rupiah Balanced Fund

October 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	2.41%
Best Month	10.95% Jul-09
Worst Month	-14.39% Oct-08

Portfolio Breakdown

Equity
Treasury Bonds
Govt. Related Bond
Mutual Funds - Bonds
Sharia Cash/Deposit

Top Five Bonds Holding

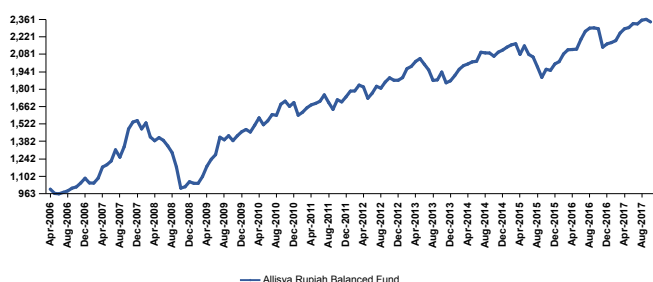
51.93% PBS012
32.70% PBS011
0.37% PBS001
2.91% PBS002
12.09% PBS004

Top Five Stocks Holding

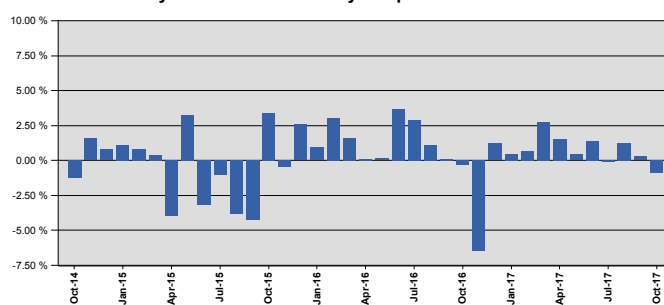
19.28% Telekomunikasi Indonesia	9.68%
6.08% Unilever Indonesia	9.10%
3.61% Astra International	7.79%
1.40% United Tractors	3.27%
0.76% Chandra Asri Petrochemical	2.41%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	-0.86%	0.70%	2.43%	2.41%	13.33%	8.15%	134.04%

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 540.42
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 Oct 31, 2017)	: Bid IDR 2,223.34 Offer IDR 2,340.36
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Oct 2017 inflation at +0.01% mom (vs consensus inflation +0.10%, +0.13% in Sep 2017). On yearly basis, inflation was lower to +3.58% yoy (vs consensus inflation +3.68%, +3.72% in Sep 2017). Core inflation was printed at +3.07% yoy vs consensus inflation +3.08%, +3.00% in Sep 2017). Inflation was mainly caused by higher processed food, beverage, cigarette and tobacco prices. In the Board of Governors' Meeting on 18 Oct 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 -0.59% to 13,572/USD at end of Oct 2017 from 13,492/USD in previous month. Indonesia economic growth in third quarter 2017 was increased by 3.18% QoQ (5.06% YoY compared to previous quarter at 5.01% YoY) which largely led by growth in other services. By expenditure, exports of goods and services components were the main drivers. Trade balance booked surplus of USD 1.76bn (non-oil and gas surplus USD 2.26bn, oil and gas deficit USD 0.50bn) in Sep 2017. Export rose by +15.60% YoY mostly driven by mineral fuel, while imports rose by +13.13% YoY. Indonesia's foreign reserves decreased USD 2.85bn to USD 126.55bn in Oct 2017 from USD 129.40bn in Sep 2017. The decrease was primarily attributable to foreign debt repayment and Rupiah stabilization also related to the reduction of foreign exchange placement in central bank for the need of payment.

IDR government bond yields closed higher across the curve in Oct 2017 on the back of market sell-off, especially from major foreign accounts. The stronger USD currency and slightly higher UST yield also gave negative sentiment to the market. Furthermore, BI statement that they see narrowing window for monetary policy easing also added pressure to the market. Several small buying actions were seen but failed to push the yield down by the end of the month. Despite of that, Oct's bond and sukuk auctions still showed solid demands. Offshore accounts decreased their holding by IDR 23.17tn in Oct 2017 (-2.83% MoM), from IDR 819.37tn as of Sep 2017 to IDR 796.20tn as of Oct 2017, which brought their holding to 38.35% of total outstanding tradable government bond (from 40.03% in the previous month). The 5Y yield Oct 2017 ended +32bps higher to 6.45% (6.13% in Sep 2017), 10Y tenor ended +30bps higher to 6.81% (6.51% in Sep 2017), 15Y tenor ended +36bps higher to 7.36% (7.00% in Sep 2017) and 20Y tenor ended +18bps higher to 7.40% (7.22% in Sep 2017).

The JAKISL Index ended the month lower at 728.69 (-0.63% MoM). Market laggards were TLKM, EXCL, KLPF, and INDF as they fell -13.89%, -9.63%, -3.9%, -7.28% and -2.67% MoM respectively. Despite a declining foreign flows in the last 6th consecutive months, the index recorded all-time high which broke 6,000 level. Strong index was supported by largely inline 3Q17 results, in which broad market earnings grew 19% YoY, driven by the strong acceleration in infrastructure sectors and stable commodity prices that enabled Mining Sector continuous to outperform. Expectation on better 3Q17 GDP result has somewhat supported the index as well as investors seeing some recovery within the offline retail segments as well as accelerated infra project realizations. On the global front, the hawkish Fed, still dovish ECB and the rolling over of economic data surprises especially in the US may limit foreign investor appetite to add exposure to EM risky assets despite medium term outlook remains supportive of EM Market as stability in Chinese Renminbi and stronger Chinese economic data. The recalibration of exposure towards DM could serve as a refraining factor for EM inflows. Sector wise, the Infrastructure, Utilities and Transportation Sector was the worst performing sector during the week, declining 6.31% WoW. Ticker wise, TLKM (Telekomunikasi Indonesia Persero) and EXCL (XL Axiata) were the laggards, depreciating 13.89% and 9.63% MoM respectively. This was followed by the Agriculture Sector which dropped 1.39% MoM. Ticker wise, AALI (Astra Agro Lestari) and SSMS (Sawit Sumbermas Sarana) posted 2.02% and 1.64% MoM losses respectively. On the other hand, the best sector during the week was the Mining Sector, which recorded a gain of 12.15% MoM. Ticker wise, INCO (Vale Indonesia) and PTBA (Tambang Batubara Bukit Asam Persero Tbk) were the movers which rose 13.51% and 9.81% MoM respectively.