

# Allisya Rupiah Balanced Fund

## August 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	<b>2.78%</b>
Best Month	<b>10.95%</b> Jul-09
Worst Month	<b>-14.39%</b> Oct-08

#### Portfolio Breakdown

Equity	<b>53.41%</b> PBS012
Treasury Bonds	<b>31.65%</b> PBS011
Govt. Related Bond	<b>0.37%</b> PBS001
Mutual Funds - Bonds	<b>2.83%</b> PBS002
Sharia Cash/Deposit	<b>11.74%</b> PBS004

#### Top Five Bonds Holding

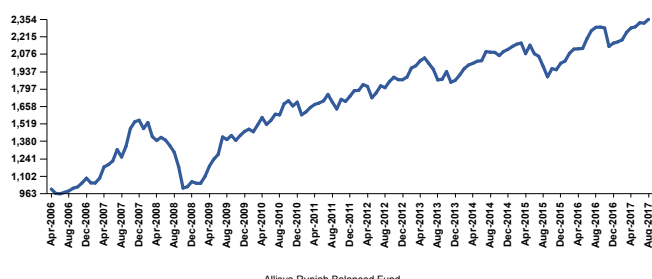
<b>18.92%</b> Telekomunikasi Indonesia	<b>11.29%</b>
<b>5.91%</b> Unilever Indonesia	<b>9.12%</b>
<b>3.52%</b> Astra International	<b>7.97%</b>
<b>1.38%</b> United Tractors	<b>2.80%</b>
<b>0.74%</b> Indofood CBP Sukses Makmur	<b>2.34%</b>

#### Top Five Stocks Holding

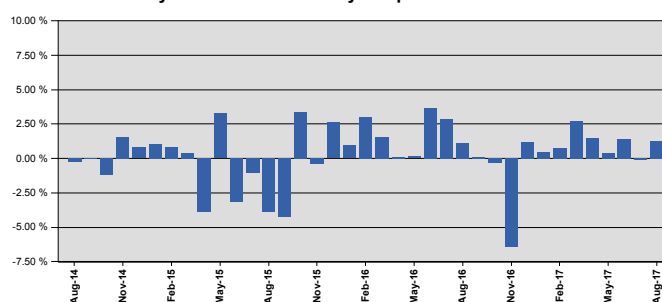
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	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	<b>1.28%</b>	<b>2.59%</b>	<b>7.47%</b>	<b>2.78%</b>	<b>12.53%</b>	<b>8.78%</b>	<b>135.39%</b>

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



Monthly Performance of Allisya Rupiah Balanced Fund



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 551.93
<b>Risk Profile</b>	: Moderate
<b>Launch Date</b>	: 25 Apr 2006
<b>Fund Currency</b>	: Indonesian Rupiah
<b>Managed by</b>	: PT Asuransi Allianz Life Indonesia

<b>Pricing Frequency</b>	: Daily
<b>Price per Unit (As of Aug 31, 2017)</b>	: IDR 2,236.21 <b>Bid</b> <b>Offer</b> IDR 2,353.91
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a.

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Aug 2017 deflation at -0.07% mom (vs consensus inflation +0.06%, inflation +0.22% in Jul 2017). On yearly basis, inflation was slightly lower to +3.82%yoy (vs consensus inflation 3.99%, +3.88% in Jul 2017). Core inflation was printed at +2.98% yoy (vs +3.05% in Jul 2017). Deflation was mainly caused by lower food ingredients prices, also transportation and communication. In the Board of Governors' Meeting on 22 Aug 2017, Bank Indonesia cut its 7-day Reverse Repo Rate by 25bps from 4.75% to 4.50%, also Deposit Facility (DF) from 4.00% to 3.75% and Lending Facility (LF) from 5.50% to 5.25%. Rupiah depreciated by -0.21% to 13,351/USD at end of Aug 2017 from 13,323/USD in previous month. Trade balance booked a deficit of USD 0.27bn (non-oil and gas surplus USD 0.33bn, oil and gas deficit USD 0.60bn) in Jul 2017. Export rose by +41.12% YoY mostly driven by mineral fuel, while imports rose by +54.02% 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.

IDR government bond yields closed lower across the curve in Aug 2017 on the back of expectation that Bank Indonesia will start do easing monetary policy this month which was actually happened. MoF started to issue the new FR75 20yr benchmark series for next year which is reflected in high demand since its first auction on August 8. BI's plan to roll out macro-prudential policy to boost funding also gave positive sentiment to the market. Despite lots of profit takers happened, market still well supported by the strong bids from both side offshore and onshore accounts. Bond players seem ignored the global risk-off on US-North Korea tensions for now on. Indonesia 2Q 2017 GDP number which announced in first week of August did not give significant impact to the market as players already expect the result. On Aug 30, MoF approved IDR 61.209tn early redemption for sukuk saving of ST01 with settlement date at 7 Sept 2017 (originally mature at 7 Sept 2018). Offshore accounts increased their holding by IDR +9.61tn in Aug 2017 (+1.24% MoM), from IDR 775.54tn as of Jul 2017 to IDR 785.14tn as of Aug 2017, which brought their holding to 39.01% of total outstanding tradable government bond (from 39.35% in the previous month). The 5Y yield Aug 2017 ended -50bps lower to 6.28% (6.78% in Jul 2017), 10Y tenor ended -25bps lower to 6.70% (6.95% in Jul 2017), 15Y tenor ended -25bps lower to 7.14% (7.39% in Jul 2017) and 20Y tenor ended -35bps lower to 7.28% (7.63% in Jul 2017).

The JAKISL Index (Jakarta Islamic Index) ended the month lower at 746.26 (-0.28% MoM). Market laggards were TPIA, LPPF, ASII, PGAS, and WSKT as they fell -20.5%, -21.1%, -1.25%, -5.78% and -7.11% MoM respectively. Market continued to depreciate further during the month of August despite foreign booked net outflow of US\$468mn, lack of positive catalysts in domestic and rising geopolitical risks from North Korea. Dissatisfaction over a flat 2Q17 GDP of +5.01% YoY (below consensus +5.08% YoY) became a concern as the private consumption growth, which contributes 57% of Indo's GDP, clocked in flat at +4.95% YoY (vs 1Q17: 4.94%), historically 2Q data was always stronger than 1Q. The combination between slower wallet size growth, electricity tariff hike, slower government spending realization and rising political tension in 1Q17 eroded purchasing power and deteriorate consumer confidence. As banking data suggests, Indonesians with accounts which had IDR 5bn or more (48% of total banking deposits) had a 15% growth on a YTD basis. Meanwhile those with accounts less than IDR 100mn had a 12% decline. The recent 25 bps rate cut is clearly a signal that monetary policy makers recognize these issues. In summary we are of the view that risk/reward in broad market sense looks less favorable given the modest growth going trajectory in the nearer term and recognize rising geopolitical risk as an external headwind. Sector wise, the Trade, Service and Investment Sector was the worst performing sector during the week, declining 2.86% WoW. Ticker wise, LPPF (Matahari Department Store) and AKRA (AKR Corporindo) were the laggards, depreciating 21.1% and 1.81% MoM respectively. This was followed by the Miscellaneous Industries Sector which dropped 2.3% MoM. Ticker wise, ASII (Astra International) was the laggards, which posted 1.25% loss. On the other hand, the best sector during the week was the Construction, Property and Real Estate Sector, which recorded a gain of 3.24% MoM. Ticker wise, CTRA (Ciputra Development) and LPPK (Lippo Karawaci) were the movers which rose 13.04% and 9.79% MoM respectively.