

ALLISYA RUPIAH BALANCED FUND

July 2018

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).

Return Performance

Last 1-year Period		-5.60%
Best Month	Jul-09	10.95%
Worst Month	Oct-08	-14.39%

Portfolio Breakdown

Equity	51.39%
Treasury Bonds	33.26%
Govt. Related Bond	0.40%
Sharia Cash/Deposit	14.94%

Top Five Bonds Holding

PBS012	19.69%
PBS011	6.32%
PBS017	2.73%
PBS004	1.56%
PBS002	1.52%

Top Five Stocks Holding

Telekomunikasi Indonesia	8.30%
Astra International	8.05%
Unilever Indonesia	7.23%
United Tractors	4.20%
Surya Citra Media	2.70%

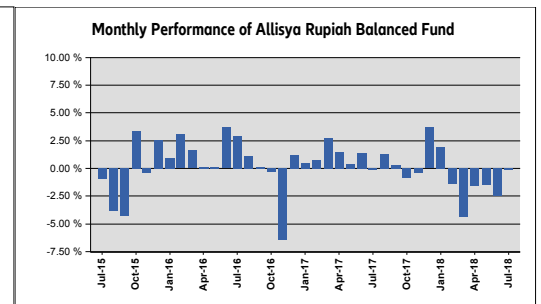
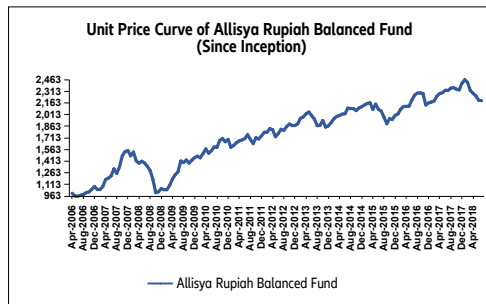
Key Fund Facts

Fund Size (in bn IDR)	IDR 492.68
Risk Profile	Moderate
Launch Date	25 Apr 2006
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

Price per Unit	Bid	Offer
(As of Jul 31, 2018)	IDR 2,084.22	IDR 2,193.92

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	-0.19%	-4.07%	-10.92%	-5.60%	6.56%	-9.22%	119.39%



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced July 2018 inflation at +0.28% mom (vs consensus inflation +0.24%, +0.59% in June 2018). On yearly basis, inflation was +3.18% yoy (vs consensus inflation +3.20%, +3.12% in June 2018). Core inflation was printed at +2.87% yoy (vs consensus inflation +2.74%, +2.72 in June 2018). The slowing down of inflation was caused by deflation on 'administered price' group, such as fare decrement of air freight and intercity transport, while the biggest contributor of the inflation itself was the increase of egg and chicken price. In the Board of Governors' Meeting on 18th -19th July 2018, Bank Indonesia kept unchanged the BI 7-day Reverse Repo Rate at 5.25%, the Deposit Facility (DF) rates at 4.50% and Lending Facility (LF) rates at 6.00%. Rupiah depreciated by -0.59% to 14,414 /USD at end of June 2018 from 14,330/USD in previous month. Indonesia's trade balance in June 2018 recorded surplus of USD 1.743bn vs consensus USD 0.968bn. Non-oil and gas trade balance in June 2018 recorded surplus at USD 2.1bn, better than previous month which was deficit amounting to USD -0.28bn. Meanwhile, oil and gas trade balance recorded deficit to USD -0.4bn in June 2018, which lower from deficit on May 2018 amounting to USD -1.244bn. Indonesia's economy grew 5.27% yoy in Q2 2018 (vs previous 5.06%, consensus 5.12%), and 4.2% qoq (vs previous -0.40%, market 4.07%), helped by high consumption during the Muslim fasting month and Lebaran Holiday. Private consumption, which accounts for more than half of Indonesia's gross domestic product, grew 5.14% yoy in Q2 2018 (vs previous 4.79%). Indonesia's foreign reserve assets stood at USD 118.3 billion as of end-July 2018, lower than the end of Jun 2018 level at USD 119.8 billion. The decline in the reserve assets in July 2018 was mainly due to government external debt repayment and rupiah stabilization in the midst of remained high uncertainty of global financial market.

IDR Government bond yields were closed mixed at the end of the July 2018. The higher yields mostly was caused by IDR depreciation (that have breached 14,500) and trade wars between US and China (where US imposed tariff to \$34bn of Chinese import on July 6, 2018). However, several events also added positive sentiment to market, such as US-EU agreement (which talked about the possibility of zero tariff, especially on industrial goods) and buying activities from onshore players. Offshore accounts increased their holding by IDR 9.10tn in July 2018 (+1.10% MoM), from IDR 830.17tn as of June 2018 to IDR 839.26tn as of July 2018, which brought their holding to 37.70% of total outstanding tradable government bond (from 37.79% in the previous month). The 5Y yield July 2018 ended +9bps higher to 7.67% (7.58% in June 2018), 10Y tenor ended -4bps lower to 7.76% (7.80% in June 2018), 15Y tenor ended -8bps lower to 8.15% (8.23% in June 2018) and 20Y tenor ended +1bps higher to 8.16% (8.15% in June 2018).

The JAKISL Index ended the month higher at 655.04 (+0.04% MoM). Market movers were ASII, UNTR, ITMG, PTBA, and ADRO as they rose 8.33%, 11.55%, 27.26%, 12.85% and 6.42% MoM respectively. The stock market moved positively last month following the regional and global markets as trade war concerns between US and China was muted at least temporarily. The acceleration on US's 2Q18 earnings report also brought positive sentiment to the US market as well. On the domestic side, foreign investors started buying this month amounting US\$70mn after massive outflows of US\$3.7bn in the 5 consecutive months. Improvement in several leading economic indicators such as credit growth, 2W and 4W sales, and cement sales have made investors become more optimistic towards 2Q18 GDP growth outlook. That being said however, we see limited tailwind to push faster than anticipated economic activity in the medium term. Concerns of IDR depreciation could lead to as twin deficit situation (Current Account and Trade Balance) for Indonesia remains a key concern for the rest of the year. Tightening monetary policy along with the trend of rising global interest rates could also start to adversely affect economic growth at one point in time. Sector wise, the Mining Sector was the best performing sector during the week, gaining 9.84% WoW. Ticker wise, ITMG (Indo Tambangraya Megah) and PTBA (Tambang Batubara Bukit Asam Persero Tbk) were the movers, appreciating 27.26% and 12.85% MoM respectively. This was followed by the Miscellaneous Industries Sector which rallied 6.01% MoM. Ticker wise, ASII (Astra International) posted 8.33% MoM gain. On the other hand, the worst sector during the week was the Trade, Service and Investment Sector, which recorded a decline of 1.81% MoM. Ticker wise, LPPF (Matahari Department Store) and AKRA (AKR Corporindo) were the laggards which fell 8.81% and 2.09% MoM respectively.

Disclaimer:
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