

ALLISYA RUPIAH BALANCED FUND

June 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	-5.52%
Best Month	Jul-09 10.95%
Worst Month	Oct-08 -14.39%

Portfolio Breakdown

Equity	52.87%
Treasury Bonds	33.16%
Govt. Related Bond	0.41%
Sharia Cash/Deposit	13.56%

Top Five Bonds Holding

PBS012	19.91%
PBS011	6.26%
PBS017	2.69%
PBS004	1.56%
PBS002	1.51%

Top Five Stocks Holding

Telekomunikasi Indonesia	9.00%
Unilever Indonesia	7.68%
Astra International	7.24%
United Tractors	3.76%
Indofood CBP Sukses Makmur	2.65%

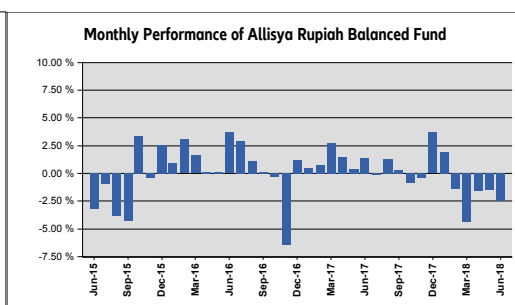
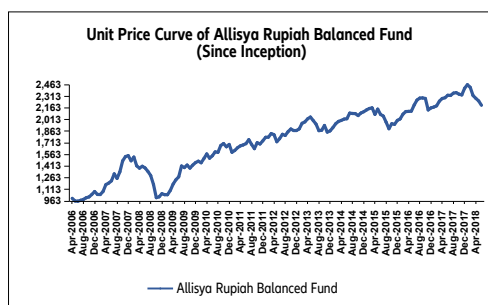
Key Fund Facts

Fund Size (in bn IDR)	IDR 494.37
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 Jun 29, 2018)	IDR 2,088.24	IDR 2,198.15

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	-2.48%	-5.38%	-9.04%	-5.52%	5.69%	-9.04%	119.82%



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced June 2018 inflation at +0.59% mom (vs consensus inflation +0.54%, +0.21% in May 2018). On yearly basis, inflation was +3.12% yoy (vs consensus inflation +3.04%, +3.23% in May 2018). Core inflation was printed at +2.72% yoy (vs consensus inflation +2.78%, +2.75 in May 2018). The June inflation was contributed by inflation of transportation, communication, and financial services sector. In the Board of Governors' Meeting on 28th – 29th June 2018, Bank Indonesia raised the BI 7-day Reverse Repo Rate by 50 bps to 5.25%, while also raising the Deposit Facility (DF) and Lending Facility (LF) rates by 50bps to 4.50% and 6.00% respectively. Rupiah depreciated by -3.12% to 14,330 /USD at end of June 2018 from 13,896/USD in previous month. Indonesia's trade balance in May 2018 recorded deficit of USD -1.524bn vs consensus USD -0.606bn. Non-oil and gas trade balance deficit in May 2018 recorded at USD 0.28bn, lower than the previous month which was deficit amounting to USD 0.50bn. Meanwhile, oil and gas trade balance deficit to USD 1.244bn in May 2018. Indonesia's foreign reserve assets stood at USD 119.8 billion as of end-June 2018, lower than the end of May 2018 level at USD 122.900 billion. The decline in the reserve assets in June 2018 was mainly due to the use of foreign exchange to repay government external debt and stabilize rupiah amidst increasing global financial market uncertainty.

IDR Government bond yields were higher across all curves during June. IDR depreciation (breached 14,400), lower than expected trade balance, and unclear trade war between US and China were the main factors behind it. On the first two weeks of June, market was quiet on the back of led Fitri Holiday. Bank Indonesia was seen to support the bond market from weaken further by joining the bids as well as doing intervention in IDR currency. Offshore accounts decreased their holding by IDR 3.64tn in June 2018 (-0.44% MoM), from IDR833.81tn as of May 2018 to IDR830.17tn as of June 2018, which brought their holding to 37.79% of total outstanding tradable government bond (from 38.15% in the previous month). The 5Y yield June 2018 ended +75bps higher to 7.58% (6.83% in May 2018), 10Y tenor ended +81bps higher to 7.80% (6.99% in May 2018), 15Y tenor ended +67bps higher to 8.23% (7.56% in May 2018) and 20Y tenor ended +57bps higher to 8.15% (7.58% in May 2018).

The JAKISL Index ended the month lower at 654.77 (-3.07% MoM). Market laggards were UNTR, ASIL, KLBF, SMGR, and WSKT as they fell -9.84%, -4.35%, -10.95%, -15.18% and -17.03% MoM respectively. Emerging market had another sell-off period last month on trade war concerns between US and China which effectively shape the global trade flows. The Chinese RMB fell by 4% MoM in reflection of the trade war concerns. Locally from an Indonesian perspective, foreign outflows had accelerated last month, totalling IDR 9tn, larger than May's IDR 6tn during the MSCI rebalancing. Despite the Indonesian Central bank (BI) taking a more hawkish stance by increasing 50bps benchmark interest rate to 5.25%, it was not enough to convince foreign investors as IDR currency and bond yield slide further towards the IDR 14.4k/USD and 8% mark respectively. Sector wise, the Construction, Property and Real Estate Sector was the worst performing sector during the week, declining 7.14% WoW. Ticker wise, PTPP (Pembangunan Perumahan Persero) and WIKA (Wijaya Karya Persero) were the laggards, depreciating 22.67% and 20.66% MoM respectively. This was followed by the Agriculture Sector which dropped 6.4% MoM. Ticker wise, LSIP (Perusahaan Perkebunan London Sumatra Ind) and AALI (Astra Agro Lestari) posted 13.91% and 10.76% MoM losses respectively. On the other hand, the best sector during the week was the Infrastructure, Utilities and Transportation Sector, which recorded a gain of 2.79% MoM. Ticker wise, EXCL (XL Axiata) and TLKM (Telekomunikasi Indonesia Persero) were the movers which rose 20% and 6.53% MoM respectively.

Disclaimer:
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