

# ALLISYA RUPIAH BALANCED FUND

## April 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	0.09%
Best Month	Jul-09 10.95%
Worst Month	Oct-08 -14.39%

## Portfolio Breakdown

Equity	51.87%
Treasury Bonds	31.62%
Govt. Related Bond	0.39%
Sharia Cash/Deposit	16.12%

## Top Five Bonds Holding

PBS012	19.73%
PBS011	6.29%
PBS004	1.61%
PBS002	1.48%
PBS017	0.91%

## Top Five Stocks Holding

Telekomunikasi Indonesia	8.16%
Unilever Indonesia	7.87%
Astra International	7.25%
United Tractors	4.37%
Chandra Asri Petrochemical	2.68%

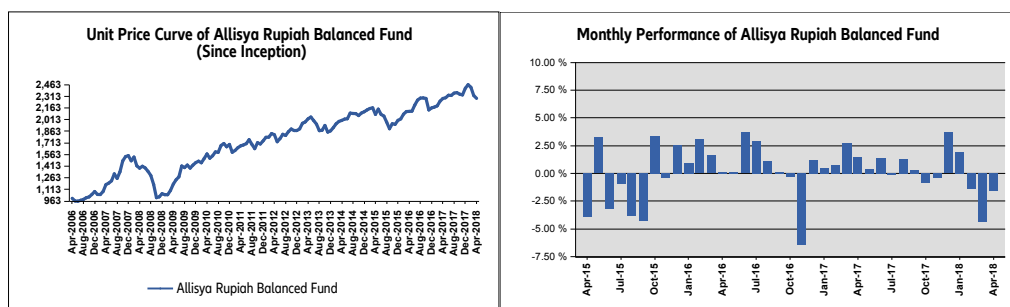
## Key Fund Facts

Fund Size (in bn IDR)	IDR 518.31
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 Apr 30, 2018)	IDR 2,172.56	IDR 2,286.91

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	-1.56%	-7.14%	-2.28%	0.09%	9.93%	-5.37%	128.69%



## Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Apr 2018 inflation at +0.10% mom (vs consensus inflation +0.18%, +0.20% in Mar 2018). On yearly basis, inflation was +3.41% yoy (vs consensus inflation +3.50%, +3.40% in Mar 2018). Core inflation was printed at +2.69% yoy (vs consensus inflation +2.77%, +2.67% in Mar 2018). Inflation mostly caused by higher processed food, housing, clothing and healthcare. In the Board of Governors' Meeting on 20 April 2018, 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 +0.98% to 13,892 /USD at end of Apr 2018 from 13,756/USD in previous month. Indonesia's trade balance in March 2018 records surplus of USD 1.09bn vs consensus -USD89mn. Non-oil and gas trade balance surplus in Mar 2018 is recorded USD 2.02bn, higher than the previous month which was deficit amounting to USD 3.96bn. Meanwhile, oil and gas trade balance deficit to USD 0.92bn in Mar 2018. Indonesia's GDP grew 5.06% yoy in the three months to the end of March, according to Indonesia Bureau of Statistic, lower than forecast of 5.18%, and also against 5.19% at the previous quarter. In qoq terms, Indonesia's GDP fell -0.42% than forecast of -0.3%, but higher than previous quarter of -1.70%. The slower growth was caused by weak of household consumption. Indonesia's foreign reserve assets stood at USD 124.9 billion as of end-Apr 2018, lower than the end of Mar 2018 level at USD 126.00 billion. The decline in the reserve assets in Apr 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 on the back of offshore outflows which triggered by US Treasury yield that passed 3% and IDR depreciation which almost reached IDR 14,000. Fed hawkish stance (however finally the Fed maintain the interest rate at 1.75%), unclear China-US trade tariff war and geopolitics tension including between US and Russia gave additional negative sentiment to the market. Bank Indonesia supported the bond market from weaken further by joining the bids as well as doing intervention in IDR currency. Indonesia's rating upgrade from Moody's only gave short-lived positive sentiment to the bond market. Moody's upgrades the Sovereign Credit Rating (SCR) of the Republic of Indonesia from Baa3/Positive Outlook to Baa2/Stable Outlook on April 13th 2018. Moody's highlighted the key factor supporting the decision is a credible and effective policy framework conducive to macroeconomic stability. Together with financial buffers, prudent fiscal and monetary policy, those have improved sovereign's resilience and capacity to respond to shocks. Offshore accounts decreased their holding by IDR 13.45tn in April 2018 (-1.57% MoM), from IDR 858.79tn as of Mar 2018 to IDR845.34tn as of April 2018, which brought their holding to 38.44% of total outstanding tradable government bond (from 39.31% in the previous month). The 5Y yield April 2018 ended +55bps higher to 6.50% (5.95% in Mar 2018), 10Y tenor ended +30bps higher to 6.98% (6.68% in Mar 2018), 15Y tenor ended +34bps higher to 7.21% (6.87% in Mar 2018) and 20Y tenor ended +16bps higher to 7.47% (7.31% in Mar 2018).

The JAKISL Index ended the month lower at 693.22 (-1.57% MoM). Market laggards were UNVR, ADRO, PGAS, ASII, and SMGR as they fell -6.41%, -13.85%, -13.7%, -2.05% and -6.76% MoM respectively. Indo Equity market fell in 2 consecutive months on the back of higher US yield which rose close to 3% coupled by softer 1Q18 earnings. Most of the investors were still cautious about Indonesia's macro condition especially on purchasing power which has not recovered as market expected. On the other hand, high oil prices environment and rising US Fed rates contribute an additional pressure to the IDR currency as well. All in all, despite JCI has dropped by -7% YTD and back to below 5 years mean valuation, we don't see any near term positive catalysts for the market. We remain cautious on prolonged risk off sentiment which could further pressure the IDR as an outflow from capital market continues. Sector wise, the Agriculture Sector was the worst performing sector during the week, declining 5.47% MoM. Ticker wise, SSMS (Sawit Sumbermas Sarana) and AALI (Astra Agro Lestari) were the laggards, depreciating 7.42% and 5.19% MoM respectively. This was followed by the Consumer Sector which dropped 5.39% MoM. Ticker wise, UNVR (Unilever Indonesia) and INDF (Indofood Sukses Makmur) posted 6.41% and 3.13% MoM losses respectively.

## Disclaimer:

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