

# ALLISYA RUPIAH BALANCED FUND

## May 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		-1.76%
Best Month	Jul-09	10.95%
Worst Month	Oct-08	-14.39%

## Portfolio Breakdown

Equity	51.65%
Treasury Bonds	33.00%
Govt. Related Bond	0.40%
Sharia Cash/Deposit	14.95%

## Top Five Bonds Holding

PBS012	19.81%
PBS011	6.32%
PBS017	2.74%
PBS004	1.60%
PBS002	1.50%

## Top Five Stocks Holding

Telekomunikasi Indonesia	8.53%
Unilever Indonesia	7.78%
Astra International	7.51%
United Tractors	3.86%
Surya Citra Media	2.78%

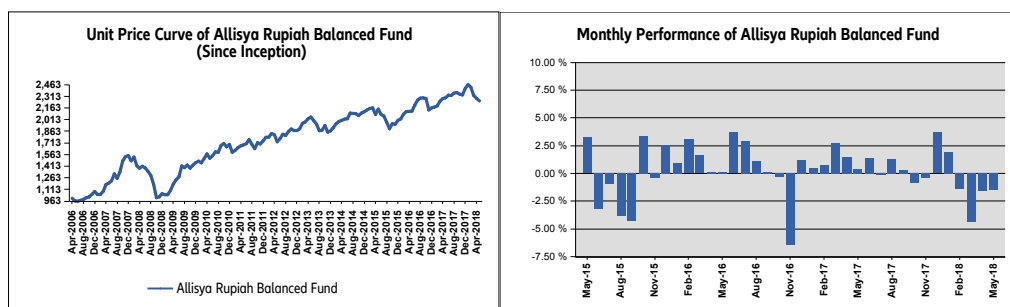
## Key Fund Facts

Fund Size (in bn IDR)	IDR 508.01
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 May 31, 2018)	IDR 2,141.39	IDR 2,254.09

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	-1.44%	-7.19%	-3.29%	-1.76%	4.94%	-6.73%	125.41%



## Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced May 2018 inflation at +0.21% mom (vs consensus inflation +0.25%, +0.10% in Apr 2018). On yearly basis, inflation was +3.23% yoy (vs consensus inflation +3.30%, +3.41% in Apr 2018). Core inflation was printed at +2.75% yoy (vs consensus inflation +2.80%, +2.69% in Apr 2018). Inflation mostly caused by the slowing down of volatile food inflation. In the Board of Governors' Meeting on 30 May 2018, Bank Indonesia raised the BI 7-day Reverse Repo Rate by 25 bps to 4.75%, while also raising the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to 4.00% and 5.50% respectively. Rupiah depreciated by +0.02% to 13,896 /USD at end of May 2018 from 13,892/USD in previous month. Indonesia's trade balance in April 2018 records deficit of USD -1.269bn vs consensus USD 733mn. Non-oil and gas trade balance deficit in April 2018 is recorded USD 0.50bn, lower than the previous month which was surplus amounting to USD 2.02bn. Meanwhile, oil and gas trade balance deficit to USD 1.13bn in April 2018.

IDR Government bond yields were closed higher across all curves in May. Lower than expected trade balance, IDR depreciation (touched 14,100), as well as higher 10yr US Treasury yield (passed above 3.1%) gave negative sentiment to the market. BI raised the 7-day reverse repo rate two times in May 2017 (on 17 May 2017 by 25 bps and on 30 May 2017 by 25 bps) by 50bps in total becoming 4.75%. Market bounced back in the end of month post inauguration of Mr. Perry Wijaya as BI Governor, increment of BI's rate followed by IDR appreciation and the Fed FOMC minutes meeting (which stated that the current inflation (2%) will not lead to increase the rate in May). Bank Indonesia and local player supported the market especially on 10yr. Standard & Poor's (S&P) maintained Indonesia's sovereign credit rating on BBB- / A-3 with a stable outlook. Ratings supported by government's relatively low debt levels and moderate fiscal performance and external indebtedness. Offshore accounts decreased their holding by IDR 11.53tn in May 2018 (-1.36% MoM), from IDR 845.34tn as of April 2018 to IDR 833.81tn as of May 2018, which brought their holding to 38.15% of total outstanding tradable government bond (from 38.44% in the previous month). The 5Y yield May 2018 ended +33bps higher to 6.83% (6.50% in Apr 2018), 10Y tenor ended +1bps higher to 6.99% (6.98% in Apr 2018), 15Y tenor ended +35bps higher to 7.56% (7.21% in Apr 2018) and 20Y tenor ended +11bps higher to 7.58% (7.47% in Apr 2018).

The JAKISL Index ended the month lower at 675.48 (-2.56% MoM). Market laggards were TLKM, ASII, SMGR, KLBF, and UNVR as they fell -7.25%, -3.5%, -12.95%, -8.97% and -1.62% MoM respectively. The index fell in the first week of May-18 as market concerned that higher US yield and oil prices will provide more pressure to the EM market. As a dollarize economy structure and past foreign portfolio investor favorite, Indonesia has experienced massive foreign outflows from both equity and bond markets, which had triggered the IDR currency to decline surpassing the IDR 14k/USD handle. On a positive note, there had been a proactive response from BI to stabilize the currency by raising its benchmark 7-day repo rate by 50bps to 4.75% and also provide macro prudential relaxation measure had partially restored investors' confidence. That being said, external risks will however still linger within EM market space, Indonesia no exception, in the short run as a result of a persistent trend of the US treasury yield and higher crude oil price backdrop. Sector wise, the Infrastructure, Utilities and Transportation Sector was the worst performing sector during the week, declining 4.46% WoW. Ticker wise, TLKM (Telekomunikasi Indonesia Persero) and EXCL (XL Axiata) were the laggards, depreciating 7.25% and 0.94% MoM respectively. This was followed by the Agriculture Sector which dropped 4.2% MoM. Ticker wise, SSMS (Sawit Sumbermas Sarana) and LSIP (Perusahaan Perkebunan London Sumatra Ind) posted 8.78% and 8.73% MoM losses respectively. On the other hand, the best sector during the week was the Mining Sector, which recorded a gain of 6.02% MoM. Ticker wise, INCO (Vale Indonesia) and PTBA (Tambang Batubara Bukit Asam Persero Tbk) were the movers which rose 22.15% and 17.28% MoM respectively.

**Disclaimer:**  
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