

ALLISYA RUPIAH BALANCED FUND

June 2019

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 25%-50% in sharia based money market and fixed income instruments (such as deposits of sharia, sharia SBI, sharia SPN, and / or money market mutual funds, sharia bonds, sharia corporate bonds and / or sharia fixed income mutual funds), and 50%-75% 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		5.56%
Best Month	Jul-09	10.95%
Worst Month	Oct-08	-14.39%

Portfolio Breakdown

Equity	66.18%
Mutual Funds - Bonds	27.30%
Sharia Cash/Deposit	6.52%

Top Five Stocks Holding

Telekomunikasi Indonesia	12.80%
Unilever Indonesia	10.54%
Astra International	9.83%
Indofood CBP Sukses Makmur	3.78%
United Tractors	3.20%

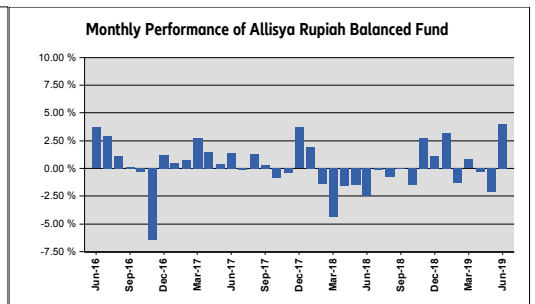
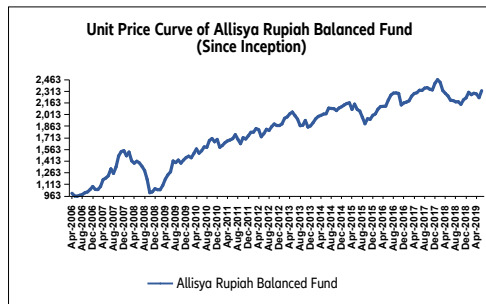
Key Fund Facts

Fund Size (in bn IDR)	IDR 503.39
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 28, 2019)	IDR 2,204.34	IDR 2,320.36

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	4.00%	1.43%	4.09%	5.56%	5.45%	4.09%	132.04%



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced June 2019 inflation at +0.55% mom (vs consensus inflation +0.48%, +0.68% in May 2019). On yearly basis, inflation was +3.28% yoy (vs consensus inflation +3.26%, +3.32% in May 2019). Core inflation was printed at +3.25% yoy (vs consensus inflation +3.10%, +3.12% in May 2019). The inflation in this month was still mainly contributed by increasing in raw food price (red chilli, fresh fish, and tomato), while the increasing of core inflation was caused by increasing gold price. In the Board of Governors' Meeting on 19th and 20th June 2019, Bank Indonesia kept the BI 7-day Reverse Repo Rate unchanged on 6.00%, while also maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 5.25% and 6.75% respectively. While, BI has decided to lower the rupiah reserve requirement for conventional and Islamic banks by 50bps to 6.0% and 4.5% respectively, with the average reserve requirements remaining at 3.0%, effective from 1st July 2019. Rupiah appreciated by +1.70% to 14,141/USD at end of June 2019 from 14,385/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD 0.208bn in May 2019 vs previous month deficit USD -2.502bn. The surplus was caused by increasing in export for non-oil & gas, especially mineral fuels (ex oil & gas product). Non-oil and gas trade balance in May 2019 recorded surplus USD 1.186bn, better than the previous month which was deficit amounting to USD -1.008bn. Meanwhile, oil and gas trade balance still recorded deficit to USD -0.978bn in May 2019, slightly better than deficit on April 2019 amounting to USD -1.493bn. The deficit was caused by higher oil products imports as well as crude oil. Indonesia's official foreign reserve as of June 2019 was at USD 123.8 billion, higher than the May 2019 which stood at USD 120.35 billion. The increment in the reserve assets per June 2019 was affected by the foreign exchange income from oil & gas income and withdrawal of government external debt.

IDR Government bond yields were closed lower at the end of the June 2019 on the back of offshore inflows in line with IDR appreciation. The upgrading of Indonesia's sovereign rating from S&P (from BBB- to BBB), was the main reason of offshore inflows. The dovish tone coming from FED and Bank Indonesia related with benchmark rate cut in this year and also trade talks plan between Trump and Xi Jinping in G20 meeting, added positive sentiment to the market. Market rallied nearly a full month with benchmark tenor as the favorite to buy. Offshore accounts increased their holding by IDR 39.19tn in June 2019 (+4.13% MoM), from IDR 949.56tn as of 31 May 2019 to IDR 988.75tn as of 28 June 2019, which brought their holding to 39.07% of total outstanding tradable government bond (from 37.88% in the previous month). The 5Y yield June 2019 ended -69bps lower to +6.87% (+7.56% in May 2019), 10Y tenor ended -58bps lower to +7.45% (+8.03% in May 2019), 15Y tenor ended -68bps lower to +7.83% (+8.51% in May 2019) and 20Y tenor ended -46bps lower to +8.02% (+8.48% in May 2019).

The JAKISL Index ended the month higher at 682.65 (+3.27% MoM). Market movers were TLKM, UNTR, INCO, ICBP, and BSDE as they rose 7.64%, 11.24%, 15.56%, 3.57% and 13.7% MoM respectively. Investors were turning optimistic towards to the stock market post softening US-China trade war tension. Strong initiatives from several Central Banks with its easing policy to maintain economic growth had also brought the positive sentiment across the regional market. On the domestic front, Indonesia credit rating upgrade by S&P, improvement in trade balance as well as the removal of political overhang over the presidential election help spur positive sentiment. This is reflected as the market booked net foreign inflows of US\$775mn in June. Despite the positive Indonesian post-election result, the external uncertainty weighs in on the market by a larger magnitude. Increasing trade tension between US-EU indicates that there is contagious effect risk over the trade war event. That being said however, near term catalysts looks benign at this stage. Sector wise, the Construction, Property and Real Estate Sector was the best performing sector during the month, gaining 6.25% MoM. Ticker wise, SMRA (Summarecon Agung) and CTRA (Ciptura Development) were the movers, appreciating 17.87% and 17.35% MoM respectively. This was followed by the Infrastructure, Utilities and Transportation Sector which rallied 5.25% MoM. Ticker wise, INDY (Indika Energy) and TLKM (Telekomunikasi Indonesia Persero) posted 19.15% and 7.64% MoM gains respectively.

Disclaimer:

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