

# Allisya Rupiah Equity Fund

## April 2016

BLOOMBERG: AZSRPEQ:IJ



### INVESTMENT OBJECTIVE

The objective of this fund is to provide long term maximum investment yield.

### INVESTMENT STRATEGY

To achieve the investment objective, this fund shall be invested 0-20% in short-term sharia instruments such as deposits sharia, sharia SBI, sharia SPN, and / or money market mutual funds) and 80 - 100% the sharia based equity instruments in accordance to OJK's decision (either directly through sharia stocks or through sharia equity mutual funds).

### PERFORMANCE INDICATOR

#### Return Performance

Last 1-year Period **-0.91%**  
 Best Month **14.81%** Jul-09  
 Worst Month **-12.99%** Oct-08

#### Portfolio Breakdown

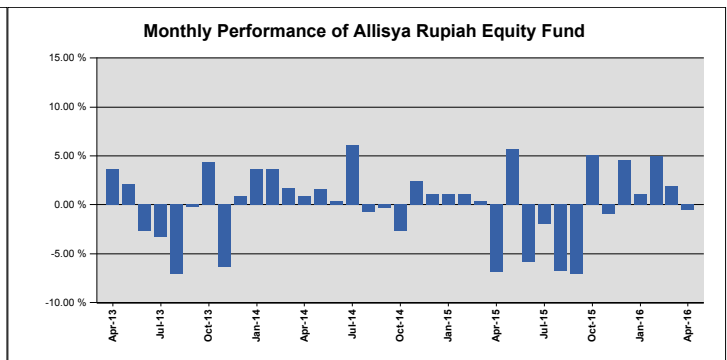
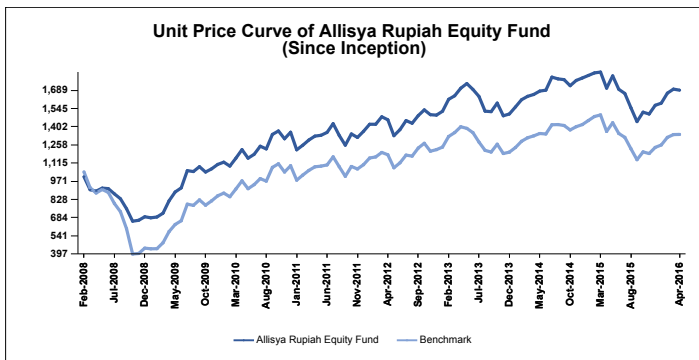
Equity **93.70%**  
 Sharia Cash/Deposit **6.30%**

#### Top Five Stocks Holding

Telekomunikasi Indonesia **19.07%**  
 Unilever Indonesia **17.18%**  
 Astra International **15.14%**  
 Indofood CBP Sukses Makmur **4.20%**  
 Indofood Sukses Makmur **3.92%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	<b>-0.47%</b>	<b>6.46%</b>	<b>11.46%</b>	<b>-0.91%</b>	<b>-0.90%</b>	<b>7.61%</b>	<b>68.98%</b>
Benchmark*	<b>0.09%</b>	<b>6.61%</b>	<b>11.46%</b>	<b>-1.74%</b>	<b>-4.31%</b>	<b>8.27%</b>	<b>34.05%</b>

\*Jakarta Islamic Index (JII)



### KEY FUND FACTS

**Fund Size (in bn IDR)** : IDR 642.92  
**Risk Profile** : Aggressive  
**Launch Date** : 01 Feb 2008  
**Fund Currency** : Indonesian Rupiah  
**Managed by** : PT Asuransi Allianz Life Indonesia

**Pricing Frequency** : Daily  
**Price per Unit (As of Apr 29, 2016)** : IDR 1,605.29 **Bid** / IDR 1,689.78 **Offer**  
**Bid-Offer Spread** : 5.00%  
**Management Fee** : 2.00% p.a.

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced April's deflation at -0.45% mom (vs consensus -0.28%, +0.19% in Mar 2016) mostly were caused by lower food ingredients prices. On yearly basis, inflation printed at 3.60% YoY (vs consensus 3.81%, 4.45% in Mar 2016). Core inflation printed at +3.41% YoY, slightly lower from previous month (vs +3.50% in Mar 2016). In the Board of Governors' Meeting on Apr 21st, 2016, Bank Indonesia maintained its reference rate at 6.75%, Lending Facility at 7.25% as well as facility rate (FASBI) at 4.75%. Rupiah appreciated against USD by +0.54% to 13,204 at end of April compared to previous month 13,276. Indonesia economic growth in first quarter 2016 was decreased -0.34% QoQ (4.92% YoY compared to previous quarter at 5.04% YoY) which largely led by contraction in several industries such as mining, manufacturing, construction, trade, automotive repair. Trade balance was surplus +0.49bn USD (non-oil and gas surplus +0.79bn USD, oil and gas deficit -0.30bn USD) in Mar 2016. Export decreased by -13.51% YoY mostly driven from export in mineral gas, while imports decreased by -10.41% YoY. BI confirmed to use the 7 day reverse repo rate as a new policy rate and will be effective on 19 August 2016. At the implementation, Bank Indonesia will establish a symmetrical and narrower interest rate corridor where the Deposit Facility rate and Lending Facility rate will be 75bps below and above the 7 day reverse repo rate. FX Reserves increased +0.17bn USD from revised number 107.54bn USD in Mar 2016 to 107.71bn USD in Apr 2016 on the back of offshore inflow to the bond market.

The JII (Jakarta Islamic Index) closed slightly higher in April at 653.26, gaining +0.09% MoM. Large cap stocks such as TLKM, WSKT, MIKA, ADRO, and PWON contributed to the MoM gain, all of which rose by +6.77%, +16.96%, +9.48%, +13.18%, and +8.47% MoM respectively. Several corporates has published 1Q16 earnings number with mixed result. Certain sectors, such as Construction, Telco, Consumer and Retailers posted a positive growth, helped by stable IDR currency and lower production cost. Meanwhile, Property related sectors continued to be weak on the back of lower 1Q16 marketing sales numbers. Foreign investors, however, were concerned on the government intervention within the banking sector had morally forced banks (SOE in particular adhering to the persuasion) to lower lending rates, potentially triggering Net Interest Margin (NIM) compression structurally. In other sectors the decline in cigarettes sales volume of 5.9% YoY in 1Q16 also suggested that purchasing power / disposable income remains unconstructive to a point where demand inelastic products such as cigarettes became price sensitive. In addition, the government initiatives on lowering BI rate by 75bps have yet to spur economic activity by way of credit. Credit growth merely reached 9% in Mar-16. Overall, so far the anticipated economic growth recovery (real GDP growth in excess of 5%) looks to fall short of expectation. Valuations on the other hand are on the high side especially on a more subdued earnings growth outlook. Sector wise, the Mining Industry Sector was the best performing sector this month, gaining by +11.15% MoM. ADRO (Adaro Energy) and ITMG (Indo Tambang) were the movers; appreciating by +13.18% and +17.74% MoM respectively. This was followed by the Infrastructure Sector that posted +2.29% MoM gains, driven by TLKM (Telekomunikasi Indonesia) which rose +6.77% MoM. On the other side, Miscellaneous Industry Sector was the worst performing sector this month, falling by -6.17% MoM. ASII (Astra International) was the laggards, depreciating -7.24% MoM.

We opportunistically select sound companies with quality management that offers earnings and cash flow resiliency on the back of relatively high valuation environment.