

Allisa Rupiah Equity Fund

April 2017



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	10.88%
Best Month	14.81% Jul-09
Worst Month	-12.99% Oct-08

Portfolio Breakdown

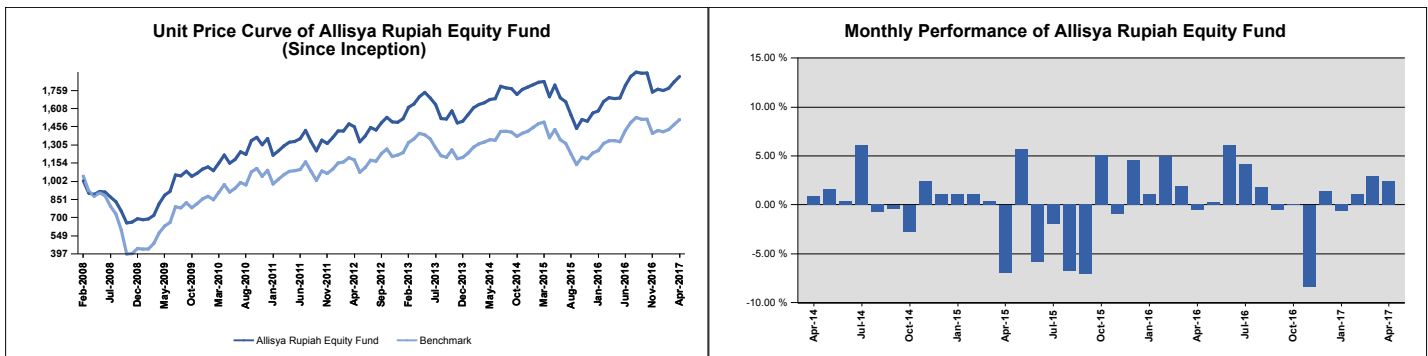
Equity	96.84%
Sharia Cash/Deposit	3.16%

Top Five Stocks Holding

Telekomunikasi Indonesia	20.38%
Astra International	16.30%
Unilever Indonesia	15.19%
United Tractors	4.94%
Indofood CBP Sukses Makmur	4.15%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisa Rupiah Equity Fund	2.45%	6.63%	-1.53%	10.88%	13.17%	5.98%	87.36%
Benchmark*	2.76%	7.09%	-0.23%	13.00%	13.98%	6.35%	51.48%

*Jakarta Islamic Index (JII)



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 838.94
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 28, 2017)	: Bid IDR 1,779.91 Offer IDR 1,873.59
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced April 2017 inflation at +0.09% mom (vs consensus +0.05%, -0.02% in Mar 2017), mostly was caused by higher administrated price (caused by higher electricity tariff as the second phase tariff adjustment for post-paid customers of non-subsidized 900 VA). On yearly basis, inflation was higher to +4.17% YoY (vs consensus +4.10%, +3.61% in Mar 2017). Core inflation was printed at +3.28% YoY (vs consensus +3.32%, +3.30% in Mar 2017). In the Board of Governors' Meeting on 18-20 Apr 2017, Bank Indonesia maintained the BI 7-day (Reverse) Repo Rate (BI-7 day RR Rate) at 4.75%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.00% and 5.50% respectively. Rupiah depreciated by -0.05% to 13,327/USD at end of Apr 2017 from 13,321/USD in previous month. Trade balance booked a surplus of +US\$1.23bn (vs consensus US\$1.298bn) in Mar 2017, from +US\$1.32bn in Feb 2017. Export rose by +23.55%yoy, while imports rose by +18.19% YoY. Indonesia's foreign reserves increased \$1.4bn to \$123.25bn in Apr 2017 from \$121.81bn in Mar 2017. The increase was primarily due to foreign exchange receipts, especially from tax revenues and government oil & gas export proceeds, as well as auction of Bank Indonesia foreign exchange bills. Indonesia 1Q GDP expanded 5.01% yoy, vs consensus 5.10% yoy, and from 4.94% yoy in Q4 2016. From production segment, higher growth reached by information and communication sector at 9.10%. From expense segment, higher growth reached by export sector that grew 8.04%.

The JII (Jakarta Islamic Index) closed higher in April at 738.19, gaining +2.76% MoM. Large cap stocks such as TLKM, ASII, UNVR, ICBP, and LPPF contributed to the MoM gain, all of which rose by +5.81%, +3.77%, +2.71%, +7.67%, and +10.82% MoM respectively. Risk appetite domestically continued to be positive despite the recent Jakarta governor election which had initially created concern and lowered investor confidence. Anis Baswedan won against the incumbent governor Ahok on the second round Jakarta Governor Election on 19th April, 58% vs 42% respectively. On the macro front, numbers were looking encouraging. 1Q17 tax revenue increased 19% YoY (+11% YoY after stripping off the last tranche of the tax amnesty) and 1Q17 trade balance US\$3.9bn surplus, which is the highest since 2014 and a stable IDR at IDR 13.3k/USD. Going forward, reconciliation period is vital post the intense polarization / divide that happened during the Jakarta election process to ensure social stability is maintained. Effectively, social stability is part of the economic stability backbone. Sector wise, the Trading and Distribution Sector was the best performing sector this month, appreciating by +3.94% MoM. LPPF (Matahari Department Store) and AKRA (AKR Corporindo) were the movers; gaining by +10.82% and +8.40% MoM respectively. This was followed by the Infrastructure Sector that posted +3.77% MoM gains, driven by TLKM (Telekomunikasi Indonesia) which rose +5.81% MoM. On the flip side, Agriculture Sector was the worst performing sector this month, losing by -2.28% MoM. LSIP (London Sumatera) was the laggards, falling -4.78% MoM.

Our portfolio strategy leans towards a more defensive approach where risk/reward is still the bottom up main focus. Generally speaking, we have been selective on equities that have pricing power, relatively low gearing and well-disciplined corporate governance. We are putting a larger emphasis on managing earnings expectations to a more conservative approach rather than growth seeking and assess value on that front also bearing in mind forex, leverage exposures and cash flow generation ability.