

ALLISYA RUPIAH EQUITY FUND

April 2018

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).

Return Performance

Last 1-year Period		-2.19%
Best Month	Jul-09	14.81%
Worst Month	Oct-08	-12.99%

Portfolio Breakdown

Equity	95.94%
Sharia Cash/Deposit	4.06%

Top Five Stocks Holding

Telekomunikasi Indonesia	15.35%
Unilever Indonesia	14.67%
Astra International	13.43%
United Tractors	8.17%
Chandra Asri Petrochemical	4.91%

Key Fund Facts

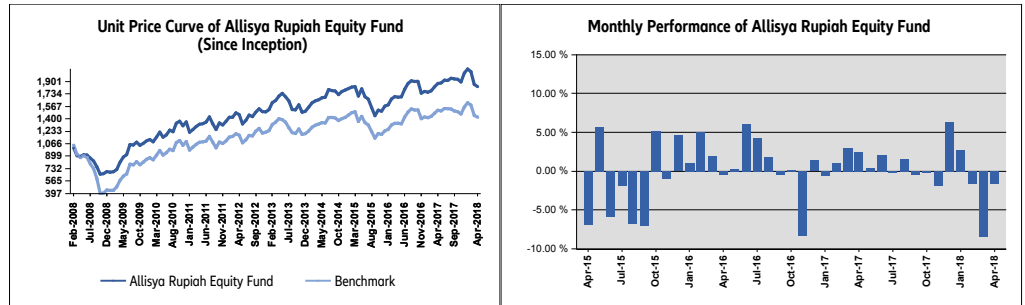
Fund Size (in bn IDR)	IDR 923.58
Risk Profile	Aggressive
Launch Date	01 Feb 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.

Price per Unit	Bid	Offer
(As of Apr 30, 2018)	IDR 1,740.87	IDR 1,832.49

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Equity Fund	-1.57%	-11.41%	-5.09%	-2.19%	7.46%	-9.01%	83.25%
Benchmark*	-1.57%	-11.93%	-4.87%	-6.09%	4.27%	-8.67%	42.25%

*Jakarta Islamic Index (JII)



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 -USD89mm. 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.

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.

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.

Disclaimer:
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